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90TH CONGRESS }
2d Session }

HOUSE OF REPRESENTATIVES

{ DOCUMENT
No. 266 }

COMPILATION OF THE SOCIAL SECURITY LAWS

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INCLUDING THE SOCIAL SECURITY ACT,
AS AMENDED, AND RELATED ENACTMENTS
THROUGH JANUARY 2, 1968

+

VOLUME II

Information
Resource
Center

LAW 13.1

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VOLUME II

U.S. GOVERNMENT PRINTING OFFICE

90-275 O

WASHINGTON : 1968

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HOUSE RESOLUTION NO. 1076

[Submitted by Mr. Mills]

IN THE HOUSE OF REPRESENTATIVES,
May 23, 1968.

Resolved, That the compilation of social security laws, prepared by the Social Security Administration for the use of the Committee on Ways and Means, be printed as a House document; and that one thousand additional copies be printed for the use of the Committee on Ways and Means.

COMPILED BY THE
SOCIAL SECURITY ADMINISTRATION
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

III

PREFACE

The Social Security Act

The Social Security Act was enacted August 14, 1935. Since then it has been amended on a number of occasions. Some of the laws amending the original Act have made rather extensive and significant changes. A listing of all the laws which have amended the Social Security Act can be found in the Appendix.

Administration of the Social Security Act

The Social Security Board was responsible for administration of the original Social Security Act except for parts 1, 2, 3, and 5 of title V (which were administered by the Children's Bureau, then in the Department of Labor); part 4 of title V which increased the appropriations authorized for carrying out the Act of June 2, 1920 (now the Vocational Rehabilitation Act); and title VI which authorized grants to the States for public health work.

The Social Security Board was transferred to the Federal Security Agency by Reorganization Plan No. 1 of 1939 and the Board's functions were thenceforth to be carried on under the direction and supervision of the Federal Security Administrator. Reorganization Plan No. 2 of 1946 transferred the functions of the Social Security Board, as well as the functions of the Children's Bureau and the functions of the Secretary of Labor under title V of the Social Security Act, to the Federal Security Administrator and the Board was abolished.

The Bureau of Employment Security, with its unemployment compensation and employment service functions, was transferred from the Federal Security Agency to the Department of Labor by Reorganization Plan No. 2 of 1949.

The Department of Health, Education, and Welfare was established by Reorganization Plan No. 1 of 1953 with a Secretary of Health, Education, and Welfare as the head of the Department. All functions of the Federal Security Agency, which was abolished, were transferred to the Department of Health, Education, and Welfare. The functions of the Federal Security Administrator were transferred to the Secretary of Health, Education, and Welfare.

The Compilation of the Social Security Laws

This compilation consists of two volumes. Volume I contains: (a) The Social Security Act as amended, as in effect on January 2, 1968, and (b) pertinent provisions of the Internal Revenue Code of 1954. Volume II contains: (a) sections of amending acts having a current effect on the Social Security Act but which are not part of the Social Security Act; (b) provisions of the Social Security Act repealed by the amending acts; and (c) provisions of other laws relating to the Social Security Act.

In each title of the Social Security Act and in each of the laws relating to the Social Security Act contained in Volume II, the text footnote series begins with the number one. In each of the following divisions of the compilation the text footnote series also begins with the number one: Sections of the Amending Acts Having a Current Effect on the Social Security Act; Superseded Provisions of the Social Security Act; and Selected Provisions of the Internal Revenue Code. Unless otherwise indicated, where a footnote refers to a deletion of material from the text, the footnote numeral is shown in the text at the point at which the deleted material appeared and, where a footnote refers to an addition of material, the footnote numeral is shown in the text immediately following the material which has been added.

References in the Act to the "Federal Security Administrator" or "Administrator" were changed to the "Secretary of Health, Education, and Welfare" or "Secretary," respectively, since Reorganization Plan No. 1 of 1953, in effect, made this change.

Section 7852(b) of the Internal Revenue Code of 1954 provides that references in other laws to any provision of the Internal Revenue Code of 1939 shall, "where not otherwise distinctly expressed or manifestly incompatible with the intent thereof," be deemed to refer to the corresponding provision of the new Code. Consequently, references in the Social Security Act to provisions of the Internal Revenue Code of 1939 have been changed accordingly.

From time to time, appropriation acts have carried provisions of a substantive nature affecting the Social Security Act. It is, therefore, desirable to refer to the current appropriation act or acts to determine whether any such provision affects the portion of the Social Security Act in which the reader may be interested.

Effect of Compilation

This compilation has been prepared solely for convenient reference purposes. It does not have the effect of law.

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SECTIONS OF AMENDING ACTS HAVING CURRENT EFFECT ON THE SOCIAL SECURITY ACT

Social Security Act Amendments of 1939

P.L. 379, 76th Cong. (53 Stat. 1360), Approved August 10, 1939

TITLE IX—MISCELLANEOUS PROVISIONS

Sec. 902. (f) No tax shall be collected under title VIII or IX of the Social Security Act or under the Federal Insurance Contributions Act or the Federal Unemployment Tax Act, with respect to services rendered prior to January 1, 1940, which are described in subparagraphs (11) and (12) of sections 1426 (b) and 1607 (c) of the Internal Revenue Code, as amended, and any such tax heretofore collected (including penalty and interest with respect thereto, if any), shall be refunded in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax. No interest shall be allowed or paid on the amount of any such refund. No payments shall be made under title II of the Social Security Act with respect to services rendered prior to January 1, 1940, which are described in subparagraphs (11) and (12) of section 209 (b) of such Act, as amended.

Sec. 907. In addition to any other deductions made under section 203 of the Social Security Act, as amended, deductions shall be made from any primary insurance benefit or benefits to which an individual is entitled or from any other insurance benefit payable with respect to such individual's wages, until such deductions total 1 per centum of any wages paid him for services which constitute employment by virtue of subsection (o) of section 209 of the Social Security Act, as amended,¹ with respect to which the taxes imposed by section 1400 of the Internal Revenue Code have not been deducted by his employer from his wages or paid by such employer.

Social Security Act Amendments of 1946

P.L. 719, 79th Cong. (60 Stat. 978), Approved August 10, 1946

Sec. 415. Time limitation on lump-sum payments under 1935 law.

No lump-sum payment shall be made under section 204 of the Social Security Act (as enacted in 1935), or under section 902 (g) of the Social Security Act Amendments of 1939, unless application therefor has been filed prior to the expiration of six months after the date of the enactment of this Act.

¹ See p. 542, this volume, for sec. 209(o) as it read prior to repeal.

Social Security Act Amendments of 1950

P.L. 734, 81st Cong. (64 Stat. 477), Approved August 28, 1950

Sec. 101. (d) Lump-sum death payments shall be made in the case of individuals who died prior to September 1950 as though this Act had not been enacted; except that in the case of any individual who died outside the forty-eight States and the District of Columbia after December 6, 1941, and prior to August 10, 1946, the last sentence of section 202(g) of the Social Security Act as in effect prior to the enactment of this Act shall not be applicable if application for a lump-sum death payment is filed prior to September 1952, and except that in the case of any individual who died outside the forty-eight States and the District of Columbia on or after June 25, 1950, and prior to September 1950, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa for interment or reinterment, the last sentence of section 202(g) of the Social Security Act as in effect prior to the enactment of this Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment under such section with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

* * * * *

Services for Cooperatives Prior to 1951

Sec. 110. In any case in which—

(1) an individual has been employed at any time prior to 1951 by organizations enumerated in the first sentence of section 101 (12) of the Internal Revenue Code,

(2) the service performed by such individual during the time he was so employed constituted agricultural labor as defined in section 209(1) of the Social Security Act and section 1426(h) of the Internal Revenue Code, as in effect prior to the enactment of this Act, and such service would, but for the provisions of such sections, have constituted employment for purposes of title II of the Social Security Act and subchapter A of chapter 9 of such Code,

(3) the taxes imposed by sections 1400 and 1410 of the Internal Revenue Code have been paid with respect to any part of the remuneration paid to such individual by such organization for such service and the payment of such taxes by such organization has been made in good faith upon the assumption that such service did not constitute agricultural labor as so defined, and

(4) no refund of such taxes has been obtained,
the amount of such remuneration with respect to which such taxes have been paid shall be deemed to constitute remuneration for employment as defined in section 209(b) of the Social Security Act as in effect prior to the enactment of this Act (but it shall not constitute wages for purposes of deductions under section 203 of such Act for

months for which benefits under title II of such Act have been certified and paid prior to the enactment of this Act).

* * * * *

Social Security Act Amendments of 1952

P.L. 590, 82d Cong. (66 Stat. 767), Approved July 18, 1952

* * * * *

Sec. 5. (c) (1) The amendments made by subsections (a) and (b) shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after August 1952, and with respect to lump-sum death payments in the case of deaths occurring after August 1952, except that, in the case of any individual who is entitled, on the basis of the wages and self-employment income of any individual to whom section 217(e) of the Social Security Act applies, to monthly benefits under such section 202 for August 1952, such amendments shall apply (A) only if an application for recomputation by reason of such amendments is filed by such individual, or any other individual, entitled to benefits under such section 202 on the basis of such wages and self-employment income, and (B) only with respect to benefits for months after whichever of the following is the later: August 1952 or the seventh month before the month in which such application was filed. Recomputations of benefits as required to carry out the provisions of this paragraph shall be made notwithstanding the provisions of section 215(f) (1) of the Social Security Act; but no such recomputation shall be regarded as a recomputation for purposes of section 215(f) of such Act. Notwithstanding the preceding provisions of this paragraph, the primary insurance amount of an individual shall not be recomputed under such provisions unless such individual files the application referred to in clause (A) of the first sentence of this paragraph prior to January 1961 or, if he dies without filing such application, his death occurred prior to January 1961.

* * * * *

(e) (2) In the case of any individual who died outside the forty-eight States and the District of Columbia after August 1950 and prior to January 1954, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa for interment or reinterment, the last sentence of section 202(i) of the Social Security Act shall not prevent payment to any person under the second sentence thereof if application for a lump-sum death payment with respect to such deceased individual is filed under such section by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

* * * * *

Social Security Act Amendments of 1954

P.L. 761, 83d Cong. (68 Stat. 1052), Approved September 1, 1954

* * * * *

Increase in Benefit Amounts

Sec. 102. (e) (5) (A) In the case of any individual who, upon filing application therefor before September 1954, would (but for the provisions of section 215(f) (6) of the Social Security Act) have been entitled to a recomputation under subparagraph (A) or (B) of section 215(f) (2) of such Act as in effect prior to the enactment of this Act, the Secretary shall recompute such individual's primary insurance amount, but only if he files an application therefor or, in case he died before filing such application, an application for monthly benefits or a lump-sum death payment on the basis of his wages and self-employment income is filed. Such recomputation shall be made only as provided in subsection (a) (2) of section 215 of the Social Security Act, as amended by this Act, through the use of a primary insurance amount determined under subsection (d) (6) of such section in the same manner as for an individual to whom subsection (a) (1) of such section, as in effect prior to the enactment of this Act, is applicable; and such recomputation shall take into account only such wages and self-employment income as would be taken into account under section 215(b) of the Social Security Act if the month in which the application for recomputation is filed, or if the individual died without filing the application for recomputation, the month in which he died, were deemed to be the month in which he became entitled to old-age insurance benefits. In the case of monthly benefits, such recomputation shall be effective for and after the month in which such application for recomputation is filed or, if the individual has died without filing the application, for and after the month in which the person filing the application for monthly survivor benefits becomes entitled to such benefits.

(B) In the case of—

(i) any individual who is entitled to a recomputation under subparagraph (A) of section 215(f) (2) of the Social Security Act as in effect prior to the enactment of this Act on the basis of an application filed after August 1954, or who died after such month leaving any survivors entitled to a recomputation under section 215(f) (4) of the Social Security Act as in effect prior to the enactment of this Act on the basis of his wages and self-employment income, and whose sixth quarter of coverage after 1950 was acquired after August 1954 or with respect to whom the twelfth month referred to in such subparagraph (A) occurred after such month, and

(ii) any individual who is entitled to a recomputation under section 215(f) (2) (B) of the Social Security Act as in effect prior to the enactment of this Act on the basis of an application filed after August 1954, or who died after August 1954 leaving any survivors entitled to a recomputation under section 215(f) (4) of the Social Security Act as in effect prior to the enactment of this Act on the basis of his wages and self-employment income, and whose sixth quarter of coverage after 1950 was acquired after August 1954 or who did not attain the age of seventy-five prior to September 1954,

the recomputation of his primary insurance amount shall be made in the manner provided in section 215 of the Social Security Act, as

amended by this Act, for computation of such amount, except that his closing date, for purposes of subsection (b) of such section 215, shall be determined as though he became entitled to old-age insurance benefits in the month in which he filed such application for or, if he has died, in the month in which he died. In the case of monthly benefits, such recomputation shall be effective for and after the month in which such application for recomputation is filed or, if the individual has died without filing the application, for and after the month in which the person filing the application for monthly survivors benefits becomes entitled to such benefits.

(C) An individual or, in case of his death, his survivors entitled to a lump-sum death payment or to monthly benefits under section 202 of the Social Security Act on the basis of his wages and self-employment income shall be entitled to a recomputation of his primary insurance amount under section 215(f)(2) or section 215(f)(4) of the Social Security Act as in effect prior to the date of enactment of this Act only if (i) he had not less than six quarters of coverage in the period after 1950 and prior to January 1, 1955, and (ii) either the twelfth month referred to in subparagraph (A) of such section 215(f)(2) occurred prior to January 1, 1955, or he attained the age of 75 prior to 1955, and (iii) he meets the other conditions of entitlement to such a recomputation. No individual shall be entitled to a recomputation under subparagraph (A) or (B) of this paragraph if his primary insurance amount has previously been recomputed under either of such subparagraphs.

(D) Notwithstanding the provisions of subparagraphs (A), (B), and (C), the primary insurance amount of an individual shall not be recomputed under such provisions unless such individual files the application referred to in subparagraph (A) or (B) prior to January 1961 or, if he dies without filing such application, his death occurred prior to January 1961.

(6) In the case of an individual who died or became (without the application of section 202(j)(1) of the Social Security Act) entitled to old-age insurance benefits in 1956 and with respect to whom not less than six of the quarters elapsing after 1954 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his primary insurance amount shall be computed under section 215(a)(1)(A) of such Act, as amended by this Act, with a starting date of December 31, 1954, and a closing date of July 1, 1956, but only if it would result in a higher primary insurance amount. For the purposes of section 215(f)(3)(C) of such Act, the determination of an individual's closing date under the preceding sentence shall be considered as a determination of the individual's closing date under section 215(b)(3)(A) of such Act, and the recomputation provided for by such section 215(f)(3)(C) shall be made using July 1, 1956, as the closing date, but only if it would result in a higher primary insurance amount. In any such computation on the basis of a July 1, 1956 closing date, the total of his wages and self-employment income after December 31, 1955, shall, if it is in excess of \$2,100 be reduced to such amount.

* * * * *

(8) In the case of an individual who became (without the application of section 202(j)(1)) entitled to old-age insurance benefits or died prior to September 1954, the provisions of section 215(f)(3) as in effect prior to the enactment of this Act shall be applicable as though this Act had not been enacted but only if such individual files the application referred to in subparagraph (A) of such section prior to January 1961 or (if he dies without filing such application) his death occurred prior to January 1961.

* * * * *

(f)(2)(A) The amendment made by subsection (b)(2) shall be applicable only in the case of monthly benefits for months after August 1954, and the lump-sum death payment in the case of death after August 1954, based on the wages and self-employment income of an individual (i) who does not become eligible for benefits under section 202(a) of the Social Security Act until after August 1954, or (ii) who dies after August 1954, and without becoming eligible for benefits under such section 202(a), or (iii) who is or has been entitled to have his primary insurance amount recomputed under section 215(f)(2) of the Social Security Act, as amended by subsection (e)(2) of this section, or under subsection (e)(5)(B) of this section, or (iv) with respect to whom not less than six of the quarters elapsing after June 1953 are quarters of coverage (as defined in such Act), or (v) who files an application for a disability determination which is accepted as an application for purposes of section 216(i) of such Act, or (vi) who dies after August 1954, and whose survivors are (or would, but for the provisions of section 215(f)(6) of such Act, be) entitled to a recomputation of his primary insurance amount under section 215(f)(4)(A) of such Act, as amended by this Act. For purposes of the preceding sentence an individual shall be deemed eligible for benefits under section 202(a) of the Social Security Act for any month if he was, or would upon filing application therefor in such month have been, entitled to such benefits for such month.

* * * * *

Cross References to Redesignated Provisions

Sec. 402. References in the Internal Revenue Code of 1939, the Internal Revenue Code of 1954, the Railroad Retirement Act of 1937, as amended, or any other law of the United States to any section or subdivision of a section of the Social Security Act redesignated by this Act shall be deemed to refer to such section or subdivision of a section as so redesignated.

Service for Certain Tax-Exempt Organizations Prior to Enactment of the Social Security Amendments of 1956

Sec. 403. (a) In any case in which—

(1) an individual has been employed, at any time subsequent to 1950 and prior to the enactment of the Social Security Amendments of 1956, by an organization which is described in section 501(c)(3) of the Internal Revenue Code of 1954 and which is exempt from income tax under section 501(a) of such Code but which did not have in effect during the entire period in which the individual was so employed, a valid waiver certificate under sec-

tion 1426(1) (1) of the Internal Revenue Code of 1939 or section 3121(k) (1) of the Internal Revenue Code of 1954;

(2) the service performed by such individual as an employee of such organization during the period subsequent to 1950 and prior to 1957 would have constituted employment (as defined in section 210 of the Social Security Act and section 1426(b) of the Internal Revenue Code of 1939 or section 3121(b) of the Internal Revenue Code of 1954, as the case may be, at the time such service was performed) if such organization had filed prior to the performance of such service such a certificate accompanied by a list of the signatures of employees who concurred in the filing of such certificate and such individual's signature had appeared on such list;

(3) the taxes imposed by sections 1400 and 1410 of the Internal Revenue Code of 1939 or sections 3101 and 3111 of the Internal Revenue Code of 1954, as the case may be, have been paid with respect to any part of the remuneration paid to such individual by such organization for such service performed during the period in which such organization did not have a valid waiver certificate in effect;

(4) part of such taxes have been paid prior to the enactment of the Social Security Amendments of 1956;

(5) so much of such taxes as have been paid prior to the enactment of the Social Security Amendments of 1956 have been paid by such organization in good faith and without knowledge that a waiver certificate was necessary or upon the assumption that a valid waiver certificate had been filed by it under section 1426(1) (1) of the Internal Revenue Code of 1939 or section 3121(k) (1) of the Internal Revenue Code of 1954, as the case may be;

(6) no refund of such taxes has been obtained, the amount of such remuneration with respect to which such taxes have been paid shall, upon the request of such individual (filed on or before the date of the enactment of the Social Security Amendments of 1960 and in such form and manner, and with such official, as may be prescribed by regulations under chapter 21 of the Internal Revenue Code of 1954), be deemed to constitute remuneration for employment as defined in section 210 of the Social Security Act and section 1426(b) of the Internal Revenue Code of 1939 or section 3121(b) of the Internal Revenue Code of 1954, as the case may be.

(b) In any case in which—

(1) an individual has been employed, at any time subsequent to 1950 and prior to the enactment of the Social Security Amendments of 1956, by an organization which has filed a valid waiver certificate under section 1426(1) (1) of the Internal Revenue Code of 1939 or section 3121(k) (1) of the Internal Revenue Code of 1954;

(2) the service performed by such individual during the time he was so employed would have constituted employment (as defined in section 210 of the Social Security Act and section 1426(b) of the Internal Revenue Code of 1939 or section 3121(b) of the Internal Revenue Code of 1954, as the case may be, at the time such service was performed) if such individual's sig-

nature had appeared on the list of signatures of employees who concurred in the filing of such certificate;

(3) the taxes imposed by sections 1400 and 1410 of the Internal Revenue Code of 1939 or sections 3101 and 3111 of the Internal Revenue Code of 1954, as the case may be, have been paid prior to the enactment of the Social Security Amendments of 1956 with respect to any part of the remuneration paid to such individual by such organization for such service; and

(4) no refund of such taxes has been obtained, the amount of such remuneration with respect to which such taxes have been paid shall, upon the request of such individual (filed on or before January 1, 1959, and in such form and manner, and with such official, as may be prescribed by regulations made under chapter 21 of the Internal Revenue Code of 1954), be deemed to constitute remuneration for employment as defined in section 210 of the Social Security Act and section 1426(b) of the Internal Revenue Code of 1939 or section 3121(b) of the Internal Revenue Code of 1954, as the case may be, and such individual shall be deemed to have concurred in the filing of the waiver certificate filed by such organization under section 1426(1)(1) of the Internal Revenue Code of 1939 or section 3121(k)(1) of the Internal Revenue Code of 1954.

Social Security Act Amendments of 1956

P.L. 880, 84th Cong. (70 Stat. 807), Approved August 1, 1956

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Disability Insurance Benefits for Certain Disabled Individuals Who Have Attained Age Fifty

Sec. 103. (d) (2) For purposes of determining entitlement to a disability insurance benefit for any month after June 1957 and before December 1957, an application for disability insurance benefits filed by any individual after July 1957 and before January 1958 shall be deemed to have been filed during the first month after June 1957 for which such individual would (without regard to this paragraph) have been entitled to a disability insurance benefit had he filed application before the end of such month.

* * * * *

Additional Requirements for Effectuating Coverage for Federal Home Loan Banks and the Tennessee Valley Authority

Sec. 104. (i) (2) (A) Except as provided in subparagraphs (B) and (C), the amendments made by subsection (b) shall apply only with respect to service performed after June 30, 1957, and only if—

(i) in the case of the amendment made by paragraph (1) of such subsection, the conditions prescribed in subparagraph (B) are met; and

(ii) in the case of the amendment made by paragraph (2) of such subsection, the conditions prescribed in subparagraph (C) are met.

(B) The amendment made by paragraph (1) of subsection (b) shall be effective only if—

(i) the Federal Home Loan Bank Board submits to the Secretary of Health, Education, and Welfare, and the Secretary approves, before July 1, 1957, a plan, with respect to employees of Federal Home Loan Banks, for the coordination, on an equitable basis, of the benefits provided by the retirement system applicable to such employees with the benefits provided by title II of the Social Security Act; and

(ii) such plan specifies, as the effective date of the plan, July 1, 1957, or the first day of a prior calendar quarter beginning not earlier than January 1, 1956.

If the plan specifies as the effective date of the plan a day before July 1, 1957, the amendment made by paragraph (1) of subsection (b) shall apply with respect to service performed on or after such effective date; except that, if such effective date is prior to the day on which the Secretary approves the plan, such amendment shall not apply with respect to service performed, prior to the day on which the Secretary approves the plan, by an individual who is not an employee of a Federal Home Loan Bank on such day.

(C) The amendment made by paragraph (2) of subsection (b) shall be effective only if—

(i) the Board of Directors of the Tennessee Valley Authority submits to the Secretary of Health, Education, and Welfare, and the Secretary approves, before July 1, 1957, a plan, with respect to employees of the Tennessee Valley Authority, for the coordination, on an equitable basis, of the benefits provided by the retirement system applicable to such employees with the benefits provided by title II of the Social Security Act; and

(ii) such plan specifies, as the effective date of the plan, July 1, 1957, or the first day of a prior calendar quarter beginning not earlier than January 1, 1956.

If the plan specifies as the effective date of the plan a day before July 1, 1957, the amendment made by paragraph (2) of subsection (b) shall apply with respect to service performed on or after such effective date; except that, if such effective date is prior to the day on which the Secretary approves the plan, such amendment shall not apply with respect to service performed, prior to the day on which the Secretary approves the plan, by an individual who is not an employee of the Tennessee Valley Authority on such day.²

(D) The Secretary of Health, Education, and Welfare shall, on or before July 31, 1957, submit a report to the Congress setting forth the details of any plan approved by him under subparagraph (B) or (C).

* * * * *

Special Starting and Closing Dates for Certain Individuals

Sec. 110. In the case of an individual who died or became (without the application of section 202(j)(1) of the Social Security Act) entitled to old-age insurance benefits in 1957 and with respect to whom not less than six of the quarters elapsing after 1955 and prior to the

² On December 28, 1956, the Secretary of Health, Education, and Welfare approved a plan submitted by the Chairman of the Board of the Tennessee Valley Authority. Effective date of social security coverage under the plan was set at January 1, 1956.

quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his primary insurance amount shall be computed under section 215(a)(1)(A) of such Act, with a starting date of December 31, 1955, and a closing date of July 1, 1957, but only if it would result in a higher primary insurance amount. For the purposes of section 215(f)(3)(C) of such Act, the determination of an individual's closing date under the preceding sentence shall be considered as a determination of the individual's closing date under section 215(b)(3)(A) of such Act, and the recomputation provided for by such section 215(f)(3)(C) shall be made using July 1, 1957, as the closing date, but only if it would result in a higher primary insurance amount. In any such computation on the basis of a July 1, 1957, closing date, the total of his wages and self-employment income after December 31, 1956, shall, if it is in excess of \$2,100, be reduced to such amount.

* * * * *

Advisory Council on Social Security Financing

Sec. 116. (a) There is hereby established an Advisory Council on Social Security Financing for the purpose of reviewing the status of the Federal Old-Age and Survivors Insurance Trust Fund and of the Federal Disability Insurance Trust Fund in relation to the long-term commitments of the old-age, survivors, and disability insurance program.

(b) The Council shall be appointed by the Secretary after February 1957 and before January 1958 without regard to the civil-service laws and shall consist of the Commissioner of Social Security, as chairman, and of twelve other persons who shall, to the extent possible, represent employers and employees in equal numbers, and self-employed persons and the public.

(c)(1) The Council is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out such functions.

(2) Members of the Council, while serving on business of the Council (inclusive of travel time), shall receive compensation at rates fixed by the Secretary, but not exceeding \$50 per day; and shall be entitled to receive actual and necessary traveling expenses and per diem in lieu of subsistence while so serving away from their places of residence.

(d) The Council shall make a report of its findings and recommendations (including recommendations for changes in the tax rates in sections 1401, 3101, and 3111 of the Internal Revenue Code of 1954) to the Secretary of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, such report to be submitted not later than January 1, 1959, after which date such Council shall cease to exist. Such findings and recommendations shall be included in the annual report of the Board of Trustees to be submitted to the Congress not later than March 1, 1959.

(e) [Repealed.]

(f) The Advisory Council appointed under subsection (e) during 1963 shall, in addition to the other findings and recommendations it is required to make, include in its report its findings and recommendations with respect to extensions of the coverage of the old-age, survivors, and disability insurance program, the adequacy of benefits under the program, and all other aspects of the program.

* * * * *

Sec. 201. (m) (2) (A) Except as provided in subparagraph (B), the amendment made by subsection (g) shall apply only with respect to taxable years ending after 1956.

(B) Any individual who, for a taxable year ending after 1954 and prior to 1957, had income which by reason of the amendment made by subsection (g) would have been included within the meaning of "net earnings from self-employment" (as such term is defined in section 1402(a) of the Internal Revenue Code of 1954), if such income had been derived in a taxable year ending after 1956 by an individual who had filed a waiver certificate under section 1402(e) of such Code, may elect to have the amendment made by subsection (g) apply to his taxable years ending after 1954 and prior to 1957. No election made by any individual under this subparagraph shall be valid unless such individual has filed a waiver certificate under section 1402(e) of such Code prior to the making of such election or files a waiver certificate at the time he makes such election.

(C) Any individual described in subparagraph (B) who has filed a waiver certificate under section 1402(e) of such Code prior to the date of enactment of this Act, or who files a waiver certificate under such section on or before the due date of his return (including any extension thereof) for his last taxable year ending prior to 1957, must make such election on or before the due date of his return (including any extension thereof) for his last taxable year ending prior to 1957, or before April 16, 1957, whichever is the later.

(D) Any individual described in subparagraph (B) who has not filed a waiver certificate under section 1402(e) of such Code on or before the due date of his return (including any extension thereof) for his last taxable year ending prior to 1957 must make such election on or before the due date of his return (including any extension thereof) for his first taxable year ending after 1956. Any individual described in this subparagraph whose period for filing a waiver certificate under section 1402(e) of such Code has expired at the time he makes such election may, notwithstanding the provisions of paragraph (2) of such section, file a waiver certificate at the time he makes such election.

(E) An election under subparagraph (B) shall be made in such manner as the Secretary of the Treasury or his delegate shall prescribe by regulations. Notwithstanding the provisions of paragraph (3) of section 1402(e) of such Code, the waiver certificate filed by an individual who makes an election under subparagraph (B) (regardless of when filed) shall be effective for such individual's first taxable year ending after 1954 in which he had income which by reason of the amendment made by subsection (g) would have been included within the meaning of "net earnings from self-employment" (as such term is defined in section 1402(a) of such Code), if such income had been

derived in a taxable year ending after 1956 by an individual who had filed a waiver certificate under section 1402(e) of such Code, or for the taxable year prescribed by such paragraph (3) of section 1402(e), if such taxable year is earlier, and for all succeeding taxable years.

(F) No interest or penalty shall be assessed or collected for failure to file a return within the time prescribed by law, if such failure arises solely by reason of an election made by an individual under subparagraph (B), or for any underpayment of the tax imposed by section 1401 of such Code arising solely by reason of such election, for the period ending with the date such individual makes an election under subparagraph (B).

* * * * *

Social Security Act Amendments of 1957

P.L. 85-238 (71 Stat. 518), Approved August 30, 1957

Sec. 3. (i) (2) The amendments made by subsection (f) shall not apply in the case of benefits under section 202(h) of the Social Security Act, based on the wages and self-employment income of a deceased individual who died in or prior to the month in which this Act is enacted, for any parent who filed the proof of support, required by such section 202(h), in or prior to the month in which this Act is enacted; and the amendment to section 216(h) (1) of such Act made by subsection (h) of this section shall not operate to deprive any such parent of benefits to which he would otherwise be entitled under section 202(h) of such Act.

* * * * *

P.L. 85-239 (71 Stat. 521), Approved August 30 1957

Sec. 3. Remuneration which is deemed under section 1402(e) (4) of the Internal Revenue Code of 1954 to constitute remuneration for employment shall also be deemed, notwithstanding sections 210(a) (8) (A) and 211(c) of the Social Security Act, to constitute remuneration for employment (and not net earnings from self-employment) for purposes of title II of such Act.

Sec. 4. (a) Section 3, and the amendments made by the first section of this Act, shall apply with respect to monthly insurance benefits under title II of the Social Security Act for months beginning after, and lump-sum death payments under such title in the case of deaths occurring after, the date of the enactment of this Act.

(b) Notwithstanding subsection (a), in the case of any individual who—

(1) (A) has remuneration which is deemed, by reason of section 3, to constitute remuneration for employment for purposes of title II of the Social Security Act, or

(B) has income which constitutes net earnings from self-employment under such title by reason of the filing of a certificate pursuant to section 1402(e) (3) (A) or (B) of the Internal Revenue Code of 1954, and

(2) was entitled to monthly insurance benefits under title II of the Social Security Act for the month in which this Act is enacted,

section 3 and the amendments made by the first section of this Act shall apply with respect to monthly insurance benefits under such title based on his wages and self-employment income only if he, or any other person entitled to monthly insurance benefits under such title on the basis of such wages and self-employment income, files, on or after the date of enactment of this Act, an application for recomputation by reason of this Act. Such recomputation shall be made in the manner provided in title II of the Social Security Act as in effect at the time of the last previous computation or recomputation of such individual's primary insurance amount and as though the application therefor was filed in the month in which the application for such last previous computation or recomputation was filed. No recomputation under this subsection shall be regarded as a recomputation under section 215(f) of the Social Security Act. Any such recomputation shall be effective for and after the twelfth month before the month in which the application therefor is filed, but in no case for any month which begins on or prior to the date of the enactment of this Act. Any such recomputation shall be effective only if it results in a higher primary insurance amount.

(c) The preceding provisions of this section shall not render erroneous any monthly insurance benefits under title II of the Social Security Act for the month in which this Act is enacted or any prior month.

Social Security Act Amendments of 1958

P.L. 85-786 (72 Stat. 938), Approved August 27, 1958

Sec. 2. The amendment made by section 1 shall be applicable to remuneration paid after the enactment of this Act, except that, in the case of any coverage group which is included under the agreement of a State under section 218 of the Social Security Act, the amendment made by section 1 shall also be applicable to remuneration for any member of such coverage group with respect to services performed after the effective date, specified in such agreements, for such coverage group, if such State has paid or agrees, prior to January 1, 1959, to pay, prior to such date, the amounts which under section 218(e) would have been payable with respect to remuneration of all members of such coverage group had the amendment made by section 1 been in effect on and after January 1, 1951. Failure by a State to make such payments prior to January 1, 1959, shall be treated the same as failure to make payments when due under section 218(e).

* * * * *

P.L. 85-840 (72 Stat. 1013), Approved August 28, 1958

Primary Insurance Amount for Certain Disability Insurance Beneficiaries

Sec. 101. (h) If an individual was entitled to a disability insurance benefit under section 223 of the Social Security Act for December 1958, and became entitled to old-age insurance benefits under section 202(a) of such Act, or died, in January 1959, then, for purposes of paragraph (4) of section 215(a) of the Social Security Act, as amended by this Act, the amount in column IV of the table appearing in such section 215(a) for such individual shall be the amount in such column

on the line on which in column II appears his primary insurance amount (as determined under subsection (c) of such section 215) instead of the amount in column IV equal to his disability insurance benefit.

* * * * *

Veteran of World War II Service: Recomputation of Benefits

Sec. 314. (c) (2) In the case of any individual—

(A) who is a World War II veteran (as defined in section 217 (d) (2) of the Social Security Act) wholly or partly by reason of service described in section 217(h) (1) (A) of such Act; and

(B) who (i) became entitled to old-age insurance benefits under section 202(a) of the Social Security Act or to disability insurance benefits under section 223 of such Act prior to the first day of the month following the month in which this Act is enacted, or (ii) died prior to such first day, and whose widow, former wife divorced, widower, child, or parent is entitled for the month in which this Act is enacted, on the basis of his wages and self-employment income, to a monthly benefit under section 202 of such Act; and

(C) any part of whose service described in section 217(h) (1) (A) of the Social Security Act was not included in the computation of his primary insurance amount under section 215 of such Act but would have been included in such computation if the amendments made by subsection (a) of this section had been effective prior to the date of such computation,

the Secretary of Health, Education, and Welfare shall, notwithstanding the provisions of section 215(f) (1) of the Social Security Act, recompute the primary insurance amount of such individual upon the filing of an application, after the month in which this Act is enacted, by him or (if he has died without filing such an application) by any person entitled to monthly benefits under section 202 of the Social Security Act on the basis of his wages and self-employment income. Such recomputation shall be made only in the manner provided in title II of the Social Security Act as in effect at the time of the last previous computation or recomputation of such individual's primary insurance amount, and as though application therefor was filed in the month in which application for such last previous computation or recomputation was filed. No recomputation made under this subsection shall be regarded as a recomputation under section 215(f) of the Social Security Act. Any such recomputation shall be effective for and after the twelfth month before the month in which the application is filed, but in no case for the month in which this Act is enacted or any prior month.

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Teachers in the State of Maine

Sec. 316. For the purposes of any modification which might be made after the date of enactment of this Act and prior to July 1, 1967 by the State of Maine of its existing agreement made under section 218 of the Social Security Act, any retirement system of such State

which covers positions of teachers and positions of other employees shall, if such State so desires, be deemed (notwithstanding the provisions of subsection (d) of such section) to consist of a separate retirement system with respect to the positions of such teachers and a separate retirement system with respect to the positions of such other employees; and for the purposes of this sentence, the term "teacher" shall mean any teacher, principal, supervisor, school nurse, school dietician, school secretary or superintendent employed in any public school, including teachers in unorganized territory.

* * * * *

Social Security Act Amendments of 1960

P.L. 86-778 (74 Stat. 927), Approved September 13, 1960

Extension of Time for Ministers to Elect Coverage

Sec. 101. (d) In the case of a certificate or supplemental certificate filed pursuant to section 1402(e) (3) (B) or (5) of the Internal Revenue Code of 1954—

(1) for purposes of computing interest, the due date for the payment of the tax under section 1401 which is due for any taxable year ending before 1959 solely by reason of the filing of a certificate which is effective under such section 1402(e) (3) (B) or (5) shall be April 15, 1962;

(2) the statutory period for the assessment of any tax for any such year which is attributable to the filing of such certificate shall not expire before the expiration of 3 years from such due date; and

(3) for purposes of section 6651 of such Code (relating to addition to tax for failure to file tax return), the amount of tax required to be shown on the return shall not include such tax under section 1401.

(e) The provisions of section 205(c) (5) (F) of the Social Security Act, insofar as they prohibit inclusion in the records of the Secretary of Health, Education, and Welfare of self-employment income for a taxable year when the return or statement including such income is filed after the time limitation following such taxable year, shall not be applicable to earnings which are derived in any taxable year ending before 1960 and which constitute self-employment income solely by reason of the filing of a certificate which is effective under section 1402(e) (3) (B) or (5) of the Internal Revenue Code of 1954.

State and Local Governmental Employees

Sec. 102. * * *

Statute of Limitations for State and Local Coverage

(f) (3) (B) In any case in which the Secretary of Health, Education, and Welfare has notified a State prior to the beginning of such second calendar year [January 1, 1962] that there is an amount due by such State, that such State's claim for a credit or refund of an overpayment is disallowed, or that such State has been allowed a credit or refund of an overpayment, under an agreement pursuant to section 218 of the Social Security Act, then the Secretary shall be deemed to

have made an assessment of such amount due as provided in section 218(q) of such Act or notified the State of such allowance or disallowance, as the case may be, on the first day of such second calendar year. In such case the 90-day limitation in section 218(s) of such Act shall not be applicable with respect to the assessment so deemed to have been made or the notification of allowance or disallowance so deemed to have been given the State. However, the preceding sentences of this subparagraph shall not apply if the Secretary makes an assessment of such amount due or notifies the State of such allowance or disallowance on or after the first day of the second calendar year following the year in which this Act is enacted and within the period specified in section 218(q) of the Social Security Act or the period specified in section 218(t) of such Act, as the case may be.

* * * * *

Validation of Coverage for Certain Mississippi Teachers

(h) For purposes of the agreement under section 218 of the Social Security Act entered into by the State of Mississippi, services of teachers in such State performed after February 28, 1951, and prior to October 1, 1959, shall be deemed to have been performed by such teachers as employees of the State. The term "teacher" as used in the preceding sentence means—

(1) any individual who is licensed to serve in the capacity of teacher, librarian, registrar, supervisor, principal, or superintendent and who is principally engaged in the public elementary or secondary school system of the State in any one or more of such capacities;

(2) any employee in the office of the county superintendent of education or the county school supervisor, or in the office of the principal or any county or municipal public elementary or secondary school in the State; and

(3) any individual licensed to serve in the capacity of teacher who is engaged in any educational capacity in any day or night school conducted under the supervision of the State department of education as a part of the adult education program provided for under the laws of Mississippi or under the laws of the United States.

Justices of the Peace and Constables in the State of Nebraska

(i) Notwithstanding any provision of section 218 of the Social Security Act, the agreement with the State of Nebraska entered into pursuant to such section may, at the option of such State, be modified so as to exclude services performed within such State by individuals as justices of the peace or constables, if such individuals are compensated for such services on a fee basis. Any modification of such agreement pursuant to this subsection shall be effective with respect to services performed after an effective date specified in such modification, except that such date shall not be earlier than the date of enactment of this Act.

* * * * *

Certain Employees in the State of California

(k) (1) Notwithstanding any provision of section 218 of the Social Security Act, the agreement with the State of California heretofore entered into pursuant to such section may at the option of such State be modified, at any time prior to 1962, pursuant to subsection (c) (4) of such section 218, so as to apply to services performed by any individual who, on or after January 1, 1957, and on or before December 31, 1959, was employed by such State (or any political subdivision thereof) in any hospital employee's position which, on September 1, 1954, was covered by a retirement system, but which, prior to 1960, was removed from coverage by such retirement system if, prior to July 1, 1960, there have been paid in good faith to the Secretary of the Treasury, with respect to any of the services performed by such individual in any such position, amounts equivalent to the sum of the taxes which would have been imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954 if such services had constituted employment for purposes of chapter 21 of such Code at the time they were performed. Notwithstanding the provisions of subsection (f) of such section 218 such modification shall be effective with respect to (1) all services performed by such individual in any such position on or after January 1, 1960, and (2) all such services, performed before such date, with respect to which amounts equivalent to such taxes have, prior to the date of enactment of this subsection, been paid.

(2) Such agreement, as modified pursuant to paragraph (1), may at the option of such State be further modified, at any time prior to the seventh month after the month in which this paragraph is enacted, so as to apply to services performed for any hospital affected by such earlier modification by any individual who after December 31, 1959, is or was employed by such State (or any political subdivision thereof) in any position described in paragraph (1). Such modification shall be effective with respect to (A) all services performed by such individual in any such position on or after January 1, 1962, and (B) all such services, performed before such date, with respect to which amounts equivalent to the sum of the taxes which would have been imposed by sections 3101 and 3111 of the Internal Revenue Code of 1954 if such services had constituted employment for purposes of chapter 21 of such Code at the time they were performed have, prior to the date of the enactment of this paragraph, been paid.

Employees of Nonprofit Organizations**Sec. 105. (b) (1) If—**

(A) an individual performed service in the employ of an organization with respect to which remuneration was paid before the first day of the calendar quarter in which the organization filed a waiver certificate pursuant to section 3121(k) (1) of the Internal Revenue Code of 1954, and such service is excepted from employment under section 210(a) (8) (B) of the Social Security Act,

(B) such service would have constituted employment as defined in section 210 of such Act if the requirements of section 3121(k) (1) of such Code were satisfied,

(C) such organization paid, on or before the due date of the tax return for the calendar quarter before the calendar quarter in which the organization filed a certificate pursuant to section 3121 (k) (1) of such Code, any amount, as taxes imposed by sections 3101 and 3111 of such Code, with respect to such remuneration paid by the organization to the individual for such service,

(D) such individual, or a fiduciary acting for such individual or his estate, or his survivor (within the meaning of section 205 (c) (1) (C) of such Act), requests that such remuneration be deemed to constitute remuneration for employment for purposes of title II of such Act, and

(E) the request is made in such form and manner, and with such official, as may be prescribed by regulations made by the Secretary of Health, Education, and Welfare, then, subject to the conditions stated in paragraphs (2), (3), (4), and (5), the remuneration with respect to which the amount has been paid as taxes shall be deemed to constitute remuneration for employment for purposes of title II of such Act.

(2) Paragraph (1) shall not apply with respect to an individual unless the organization referred to in paragraph (1) (A), on or before the date on which the request described in paragraph (1) is made, has filed a certificate pursuant to section 3121 (k) (1) of such Code.

(3) Paragraph (1) shall not apply with respect to an individual who is employed by the organization referred to in paragraph (2) on the date the certificate is filed.

(4) If credit or refund of any portion of the amount referred to in paragraph (1) (C) (other than a credit or refund which would be allowed if the service constituted employment for purposes of chapter 21 of such Code) has been obtained, paragraph (1) shall not apply with respect to the individual unless the amount credited or refunded (including any interest under section 6611 of such Code) is repaid before January 1, 1968, or, if later, the first day of the third year after the year in which the organization filed a certificate pursuant to section 3121 (k) (1) of such Code.

(5) Paragraph (1) shall not apply to any service performed for the organization in a period for which a certificate filed pursuant to section 3121 (k) (1) of such Code is not in effect.

* * * * *

(c) (2) Remuneration which is deemed under section 1402 (g) of the Internal Revenue Code of 1954 to constitute net earnings from self-employment and not remuneration for employment shall also be deemed, for purposes of title II of the Social Security Act, to constitute net earnings from self-employment and not remuneration for employment. If, pursuant to the last sentence of section 1402 (g) of the Internal Revenue Code of 1954, an individual is deemed to have become an employee of an organization (or to have become a member of a group) on the first day of a calendar quarter, such individual shall likewise be deemed, for purposes of clause (ii) or (iii) of section 210 (a) (8) (B) of the Social Security Act, to have become an employee of such organization (or to have become a member of such group) on such day.

* * * * *

(d) (2) No monthly benefits under title II of the Social Security Act for the month in which this Act is enacted or any prior month shall be payable or increased by reason of the provisions of subsections (b) and (c) of this section or the amendments made by such subsections, and no lump-sum death payment under such title shall be payable or increased by reason of such provisions or amendments in the case of any individual who died prior to the date of the enactment of this Act.

* * * * *

Primary Insurance Amount of Individuals Who Died Prior to 1940

Sec. 205. (c) The primary insurance amount (for purposes of title II of the Social Security Act) of any individual who died prior to 1940, and who had not less than six quarters of coverage (as defined in section 213 of such Act), shall be computed under section 215(a) (2) of such Act.³

* * * * *

Crediting of Quarters of Coverage for Years Before 1951

Sec. 206. (b) (1) Except as provided in paragraph (2), the amendment made by subsection (a) shall apply only in the case of monthly benefits under title II of the Social Security Act, and the lump-sum death payment under section 202 of such Act, based on the wages and self-employment income of an individual—

(A) who becomes entitled to benefits under section 202(a) or 223 of such Act on the basis of an application filed in or after the month in which this Act is enacted; or

(B) who is (or would, but for the provisions of section 215(f)(6) of the Social Security Act, be) entitled to a recomputation of his primary insurance amount under section 215(f)(2) (A) of such Act on the basis of an application filed in or after the month in which this Act is enacted; or

(C) who dies without becoming entitled to benefits under section 202(a) or 223 of the Social Security Act, and (unless he dies a currently insured individual but not a fully insured individual (as those terms are defined in section 214 of such Act)) without leaving any individual entitled (on the basis of his wages and self-employment income) to survivor's benefits or a lump-sum death payment under section 202 of such Act on the basis of an application filed prior to the month in which this Act is enacted; or

(D) who dies in or after the month in which this Act is enacted and whose survivors are (or would, but for the provisions of section 215(f)(6) of the Social Security Act, be) entitled to a recomputation of his primary insurance amount under section 215(f)(4) (A) of such Act; or

(E) who dies prior to the month in which this Act is enacted and (i) whose survivors are (or would, but for the provisions of section 215(f)(6) of the Social Security Act, be) entitled to a

³ This provision is applicable only in the case of monthly benefits under title II of the Social Security Act for months after September 1960, on the basis of applications filed in or after September 1960.

recomputation of his primary insurance amount under section 215(f)(4)(A) of such Act, and (ii) on the basis of whose wages and self-employment income no individual was entitled to survivor's benefits or a lump-sum death payment under section 202 of such Act on the basis of an application filed prior to the month in which this Act is enacted (and no individual was entitled to such a benefit, without the filing of an application, for any month prior to the month in which this Act is enacted) ; or

(F) who files an application for a recomputation under section 102(f)(2)(B) of the Social Security Amendments of 1954 in or after the month in which this Act is enacted and is (or would, but for the fact that such recomputation would not result in a higher primary insurance amount, be) entitled to have his primary insurance amount recomputed under such subparagraph ; or

(G) who dies and whose survivors are (or would, but for the fact that such recomputation would not result in a higher primary insurance amount for such individual, be) entitled, on the basis of an application filed in or after the month in which this Act is enacted, to have his primary insurance amount recomputed under section 102(f)(2)(B) of the Social Security Amendments of 1954.

(2) The amendment made by subsection (a) shall also be applicable in the case of applications for disability determination under section 216(i) of the Social Security Act filed in or after the month in which this Act is enacted.

(3) Notwithstanding any other provision of this subsection, in the case of any individual who would not be a fully insured individual under section 214(a) of the Social Security Act except for the enactment of this section, no benefits shall be payable on the basis of his wages and self-employment income for any month prior to the month in which this Act is enacted.

* * * * *

Computations and Recomputations of Primary Insurance Amounts

Sec. 303. (g)(1) In the case of any individual who both was fully insured and had attained retirement age prior to 1961 and (A) who becomes entitled to old-age insurance benefits after 1960, or (B) who dies after 1960 without being entitled to such benefits, then, notwithstanding the amendments made by the preceding subsections of this section or the amendments made by the Social Security Amendments of 1965 and 1967,⁴ the Secretary shall also compute such individual's primary insurance amount on the basis of such individual's average monthly wage determined under the provisions of section 215 of the Social Security Act in effect prior to the enactment of this Act with a closing date determined under section 215(b)(3)(B) of such Act as then in effect, but only if such closing date would have been applicable to such computation had this section not been enacted. If the primary insurance amount resulting from the use of such an average monthly wage is higher than the primary insurance amount resulting from the use of an average monthly wage determined pursuant to the provisions of section 215 of the Social Security Act, as amended by the

⁴ P.L. 90-248, sec. 155(c)(1), deleted "section 302 of" where it appeared before "the Social Security", and inserted "Amendments of 1965 and 1967" in lieu of "Amendments of 1965".

Social Security Amendments of 1960, or (if such individual becomes entitled to old-age insurance benefits after the date of the enactment of the Social Security Amendments of 1967, or dies after such date⁵ without becoming so entitled) as amended by the Social Security Amendments of 1967,⁶ such higher primary insurance amount shall be the individual's primary insurance amount for purposes of such section 215. The terms used in this subsection shall have the meaning assigned to them by title II of the Social Security Act; except that the terms "fully insured" and "retirement age" shall have the meaning assigned to them by such title II as in effect on September 13, 1960.

(2) Notwithstanding the amendments made by the preceding subsections of this section, in the case of any individual who was entitled (without regard to the provisions of section 223(b) of the Social Security Act) to a disability insurance benefit under such section 223 for the month before the month in which he became entitled to an old-age insurance benefit under section 202(a) of such Act, or in which he died, and such disability insurance benefit was based upon a primary insurance amount determined under the provisions of section 215 of the Social Security Act in effect prior to the enactment of this Act, the Secretary shall, in applying the provisions of such section 215(a) (except paragraph (4) thereof), for purposes of determining benefits payable under section 202 of such Act on the basis of such individual's wages and self-employment income, determine such individual's average monthly wage under the provisions of section 215 of the Social Security Act in effect prior to the enactment of this Act. The provisions of this paragraph shall not apply with respect to any such individual, entitled to such old-age insurance benefits, (i) who applies, after 1960, for a recomputation (to which he is entitled) of his primary insurance amount under section 215(f)(2) of such Act, or (ii) who dies after 1960 and meets the conditions for a recomputation of his primary insurance amount under section 215(f)(4) of such Act.

(h) In any case where application for recomputation under section 215(f)(3) of the Social Security Act is filed on or after the date of the enactment of this Act with respect to an individual for whom the last previous computation of the primary insurance amount was based on an application filed prior to 1961, or who died before 1961, the provisions of section 215 of such Act as in effect prior to the enactment of this Act shall apply except that—

(1) such recomputation shall be made as provided in section 215(a) of the Social Security Act (as in effect prior to the enactment of this Act) and as though such individual first became entitled to old-age insurance benefits in the month in which he filed his application for such recomputation or died without filing such an application, and his closing date for such purposes shall be as specified in such section 215(f)(3); and

(2) the provisions of section 215(b)(4) of the Social Security Act (as in effect prior to the enactment of this Act) shall apply only if they were applicable to the last previous computation of

⁵ P.L. 90-248, sec. 155(c)(2), inserted "after the date of the enactment of the Social Security Amendments of 1967, or dies after such date" in lieu of "after 1965, or dies after 1965".

⁶ P.L. 90-248, sec. 155(c)(2), inserted "Amendments of 1967" in lieu of "Amendments of 1965".

such individual's primary insurance amount, or would have been applicable to such computation if there had been taken into account—

(A) his wages and self-employment income in the year in which he became entitled to old-age insurance benefits or filed application for the last previous recomputation of his primary insurance amount, where he is living at the time of the application for recomputation under this subsection, or

(B) his wages and self-employment income in the year in which he died without becoming entitled to old-age insurance benefits, or (if he was entitled to such benefits) the year in which application was filed for the last previous computation of his primary insurance amount or in which he died, whichever first occurred, where he has died at the time of the application for such recomputation.

If the primary insurance amount of an individual was recomputed under section 215(f) (3) of the Social Security Act as in effect prior to the enactment of this Act, and such amount would have been larger if the recomputation had been made under such section as modified by this subsection, then the Secretary shall recompute such primary insurance amount under such section as so modified, but only if an application for such recomputation is filed on or after the date of the enactment of this Act. A recomputation under the preceding sentence shall be effective for and after the first month for which the last previous recomputation of such individual's primary insurance amount under such section 215 was effective, but in no event for any month prior to the twenty-fourth month before the month in which the application for a recomputation is filed under the preceding sentence.

(i) * * *

(2) In the case of an individual who died after 1954 and prior to 1961 and who was entitled to an old-age insurance benefit under section 202(a) at the time of his death, the provisions of section 215(f) (4) of the Social Security Act in effect prior to the enactment of this Act shall apply.

(j) In the case of an individual whose average monthly wage is computed under the provisions of section 215(b) of the Social Security Act, as amended by this Act, and—

(1) who is entitled, by reason of the provisions of section 202(j)(1) or section 223(b) of the Social Security Act, to a monthly benefits for any month prior to January 1961, or

(2) who is (or would, but for the fact that such recomputation would not result in a higher primary insurance amount for such individual, be) entitled by reason of section 215(f) of the Social Security Act, to have his primary insurance amount recomputed effective for a month prior to January 1961,

his average monthly wage as determined under the provisions of such section 215(b) shall be his average monthly wage for the purposes of determining his primary insurance amount for such prior month.

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Special Insured Status Test in Certain Cases for Disability Purposes

Sec. 404. (a) In the case of any individual who does not meet the requirements of section 216(i)(3) of the Social Security Act with respect to any quarter, or who is not insured for disability insurance benefits as determined under section 223(c)(1) of such Act with respect to any month in a quarter, such individual shall be deemed to have met such requirements with respect to such quarter or to be so insured with respect to such month of such quarter, as the case may be, if—

(1) he had a total of not less than twenty quarters of coverage (as defined in section 213 of such Act) during the period ending with the close of such quarter, and

(2) all of the quarters elapsing after 1950 and up to but excluding such quarter were quarters of coverage with respect to him and there were not fewer than six such quarters of coverage.

(b) Subsection (a) shall apply only in the case of applications for disability insurance benefits under section 223 of the Social Security Act, or for disability determinations under section 216(i) of such Act, filed in or after the month in which this Act is enacted, and then only with respect to an individual who, but for such subsection (a), would not meet the requirements for a period of disability under section 216(i) with respect to the quarter in which this Act is enacted or any prior quarter and would not meet the requirements for benefits under section 223 with respect to the month in which this Act is enacted or any prior month. No benefits under title II of the Social Security Act for the month in which this Act is enacted or any prior month shall be payable or increased by reason of the amendment made by such subsection.

* * * * *

Amendment of Title XII of the Social Security Act

Sec. 522. (b)(1) No amount shall be transferred on or after the date of the enactment of this Act from the Federal unemployment account to the account of any State in the Unemployment Trust Fund pursuant to any application made under section 1201(a) of the Social Security Act as in effect before such date; except that, if—

(A) some but not all of an amount certified by the Secretary of Labor to the Secretary of the Treasury for transfer to the account of any State was transferred to such account before such date, and

(B) the Governor of such State, after the date of the enactment of this Act, requests the Secretary of the Treasury to transfer all or any part of the remainder to such account, the Secretary of the Treasury shall, prior to audit or settlement by the General Accounting Office, transfer from the Federal unemployment account to the account of such State in the Unemployment Trust Fund the amount so requested or (if smaller) the amount available in the Federal unemployment account at the time of the transfer. No such amount shall be transferred under this paragraph after the one-year period beginning on the date of the enactment of this Act.

(2) For purposes of section 3302(c) of the Federal Unemployment Tax Act and titles IX and XII of the Social Security Act, if any amount is transferred pursuant to paragraph (1) to the unemployment account of any State, such amount shall be treated as an advance made before the date of the enactment of this Act.

* * * * *

Federal Instrumentalities

Sec. 531. (g) Notwithstanding section 203(b) of the Farm Credit Act of 1959, sections 3305(b), 3306(c) (6), and 3308 of the Internal Revenue Code of 1954 and sections 1501(a) and 1507(a) of the Social Security Act shall be applicable, according to their terms, to the Federal land banks, Federal intermediate credit banks, and banks for cooperatives.

* * * * *

Extension of Federal Unemployment Tax Act

Sec. 543. (b) The unemployment compensation law of the Commonwealth of Puerto Rico shall be considered as meeting the requirements of—

(1) Section 3304(a) (2) of the Federal Unemployment Tax Act, if such law provides that no compensation is payable with respect to any day of unemployment occurring before January 1, 1959.

(2) Section 3304(a) (3) of the Federal Unemployment Tax Act and section 303(a) (4) of the Social Security Act, if such law contains the provisions required by those sections and if it requires that, on or before February 1, 1961, there be paid over to the Secretary of the Treasury, for credit to the Puerto Rico account in the Unemployment Trust Fund, an amount equal to the excess of—

(A) the aggregate of the moneys received in the Puerto Rico unemployment fund before January 1, 1961, over

(B) the aggregate of the moneys paid from such fund before January 1, 1961, as unemployment compensation or as refunds of contributions erroneously paid.

Social Security Act Amendments of 1961

P.L. 87-64 (75 Stat. 131), Approved June 30, 1961

Extension of Time for Filing Proof of Support

Sec. 103. (c) In the case of any widower or parent who would not be entitled to widower's insurance benefits under section 202(f), or parent's insurance benefits under section 202(h), of the Social Security Act except for the enactment of this Act (other than this subsection), the requirement in sections 202(f) (1) (D) and 202(h) (1) (B), respectively, of the Social Security Act relating to the time within which proof of support must be filed shall not apply if such proof of support is filed before the close of the 2-year period which begins on the effective date of this title.⁷

* * * * *

⁷ The effective date of Title I of P.L. 87-64 was August 1, 1961.

Social Security Act Amendments of 1962**P.L. 87-878 (76 Stat. 1202), Approved October 24, 1962**

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for purposes of the agreement under section 218 of the Social Security Act entered into by the State of Arkansas, where employees of an integral unit of a political subdivision of the State of Arkansas have in good faith been included under the State's agreement as a coverage group on the basis that such integral unit of a political subdivision was a political subdivision, then such unit of the political subdivision shall, for purposes of section 218(b) (2) of such Act, be deemed to be a political subdivision, and employees performing services within such unit shall be deemed to be a coverage group, effective with the effective date specified in such agreement or modification of such agreement with respect to such coverage group and ending with the last day of the year in which this Act is enacted.

* * * * *

Social Security Act Amendments of 1964**P.L. 88-650 (78 Stat. 1075), Approved October 13, 1964****Sec. 1. * * ***

(d) (1) The amendments made by subsections (a), (b), and (c) shall apply in the case of applications for disability determinations under section 216(i) of the Social Security Act filed after the month following the month in which this Act is enacted.

(2) Except as provided in the succeeding paragraphs, such amendments shall also apply, and as though such amendments had been enacted on July 1, 1962, in the case of applications for disability determinations filed under section 216(i) of the Social Security Act during the period beginning July 1, 1962, and ending with the close of the month following the month in which this Act is enacted, by an individual who—

(A) has been under a disability (as defined in such section 216(i)) continuously since he filed such application and up to (i) the first day of the second month following the month in which this Act is enacted or (ii) if earlier, the first day of the month in which he attained the age of 65, and

(B) is living on the day specified in subparagraph (A) (i).

(3) In the case of an individual to whom paragraph (2) applies and who filed an application for disability insurance benefits under section 223 of the Social Security Act during the period specified in such paragraph—

(A) if such individual was under a disability (as defined in section 223(c) of such Act) throughout such period and was not entitled to disability insurance benefits under such section 223 for any month in such period (except for the amendments made by this section), such application and any application filed during such period for benefits under section 202 of the Social Security Act on the basis of the wages and

self-employment income of such individual shall, notwithstanding section 202(j) (2) and the first sentence of section 223(b), be deemed an effective application, or

(B) if such individual was entitled (without the application of this section) to disability insurance benefits under section 223 for a continuous period of months immediately preceding—

(i) the second month following the month in which this Act was enacted, or

(ii) if earlier, the month in which he became entitled to benefits under section 202(a),

his primary insurance amount shall be recomputed, but only if such amount would be increased solely by reason of the enactment of this section.

(4) No monthly insurance benefits, and no increase in monthly insurance benefits, may be paid under title II of the Social Security Act by reason of the enactment of this section for any month before the eleventh month before the month in which this Act is enacted.

(5) In the case of an individual (A) who is entitled under section 202 of the Social Security Act (but without the application of subsection (j) (1) of such section) to a widow's widower's, or parent's insurance benefit, or to an old-age, wife's or husband's insurance benefit which is reduced under section 202(q) of such Act, for any month in the period referred to in paragraph (2) of this subsection, (B) who was under a disability, (as defined in section 223(c) of the Social Security Act) which began prior to the sixth month before the first month for which the benefits referred to in clause (A) are payable and which continued through the month following the month in which this Act is enacted, and (C) who files an application for disability insurance benefits under section 223(a) (1) of the Social Security Act—

(i) subsection (a) (3) of section 223 of the Social Security Act shall not prevent him from being entitled to such disability insurance benefits;

(ii) the provisions of subsection (a) (1) of such section 223 terminating entitlement to disability insurance benefits by reason of entitlement to old-age insurance benefits shall not apply with respect to him unless and until he again becomes entitled to such old-age insurance benefits under the provisions of section 202 of such Act;

(iii) such individual shall, for any month for which he is thereby entitled to both old-age insurance benefits and disability insurance benefits, be entitled only to such disability insurance benefits; and

(iv) in case the benefits reduced under subsection (q) of section 202 of such Act are old-age insurance benefits (I) such old-age insurance benefits for the months in the period referred to in paragraph (2) of this subsection shall not be recomputed solely by reason of the enactment of this section, and, if otherwise recomputed, the provisions of and amendments made by this section shall not apply to such recomputation; and (II) the months for which he received such old-

age insurance benefits before or during the period for which he becomes entitled, by reason of such enactment, to disability insurance benefits under such section 223 and the months for which he received such disability insurance benefits shall be excluded from the "reduction period" and the "adjusted reduction period", as defined in paragraphs (5) and (6), respectively, of such subsection (q) for purposes of determining the amount of the old-age insurance benefits to which he may subsequently become entitled.

(6) The entitlement of any individual to benefits under section 202 of the Social Security Act shall not be terminated solely by reason of the enactment of this section, except where such individual is entitled to benefits under section 202(a) or 223 of such Act in an amount which (but for this subsection) would have required termination of such benefits under such section 202.

* * * * *

Sec. 3. For purposes of the agreement under section 218 of the Social Security Act entered into by the State of Oklahoma, remuneration paid to district engineering aides of soil and water conservation districts of the State of Oklahoma which was reported by the State as amounts paid to such aides as employees of the State for services performed by them during the period beginning January 1, 1951, and ending with the close of June 30, 1962, shall be deemed to have been paid to such aides for services performed by them in the employ of the State.

Social Security Act Amendments of 1965

P.L. 89-97 (79 Stat. 286), Approved July 30, 1965

Sec. 102. * * *

(b) If—

(1) an individual was eligible to enroll under section 1837(c) of the Social Security Act before June 1, 1966,⁸ but failed to enroll before such date, and

(2) it is shown to the satisfaction of the Secretary of Health, Education, and Welfare that there was good cause for such failure to enroll before June 1, 1966,⁹

such individual may enroll pursuant to this subsection at any time before October 1, 1966. The determination of what constitutes good cause for purposes of the preceding sentence shall be made in accordance with regulations of the Secretary. In the case of any individual who enrolls pursuant to this subsection, the coverage period (within the meaning of section 1838 of the Social Security Act) shall begin on the first day of the 6th month after the month in which he so enrolls.

Transitional Provision on Eligibility of Presently Uninsured Individuals for Hospital Insurance Benefits

Sec. 103. (a) Anyone who—

(1) has attained the age of 65,

(2) (A) attained such age before 1968, or (B) has not less than 3 quarters of coverage (as defined in title II of the Social Security

⁸ P.L. 89-384, sec. 3(c), enacted April 8, 1966, inserted "June 1, 1966" in lieu of "April 1, 1966".

⁹ P.L. 89-384, sec. 3(c), inserted "June 1, 1966" in lieu of "April 1, 1966".

Act or section 5(1) of the Railroad Retirement Act of 1937), whenever acquired, for each calendar year elapsing after 1966¹⁰ and before the year in which he attained such age,

(3) is not, and upon filing application for monthly insurance benefits under section 202 of the Social Security Act would not be, entitled to hospital insurance benefits under section 226 of such Act, and is not certifiable as a qualified railroad retirement beneficiary under section 21 of the Railroad Retirement Act of 1937 (as added by section 105(a) of this Act),

(4) is a resident of the United States (as defined in section 210(i) of the Social Security Act), and is (A) a citizen of the United States or (B) an alien lawfully admitted for permanent residence who has resided in the United States (as so defined) continuously during the 5 years immediately preceding the month in which he files application under this section, and

(5) has filed an application under this section in such manner and in accordance with such other requirements as may be prescribed in regulations of the Secretary,

shall (subject to the limitations in this section) be deemed, solely for purposes of section 226 of the Social Security Act, to be entitled to monthly insurance benefits under such section 202 for each month, beginning with the first month in which he meets the requirements of this subsection and ending with the month in which he dies, or, if earlier, the month before the month in which he becomes (or upon filing application for monthly insurance benefits under section 202 of such Act would become) entitled to hospital insurance benefits under section 226 or become certifiable as a qualified railroad retirement beneficiary. An individual who would have met the preceding requirements of this subsection in any month had he filed application under paragraph (5) hereof before the end of such month shall be deemed to have met such requirements in such month if he files such application before the end of the twelfth month following such month. No application under this section which is filed by an individual more than 3 months before the first month in which he meets the requirements of paragraphs (1), (2), (3), and (4) shall be accepted as an application for purposes of this section.

(b) The provisions of subsection (a) shall not apply to any individual who—

(1) is, at the beginning of the first month in which he meets the requirements of subsection (a), a member of any organization referred to in section 210(a) (17) of the Social Security Act,

(2) has, prior to the beginning of such first month, been convicted of any offense listed in section 202(u) of the Social Security Act, or

(3) (A) at the beginning of such first month is covered by an enrollment in a health benefits plan under chapter 89 of title 5, United States Code,¹¹

(B) was so covered on February 16, 1965, or

(C) could have been so covered for such first month if he or some other person had availed himself of opportunities to enroll

¹⁰ P.L. 90-248, sec. 139, inserted "1966" in lieu of "1965".

¹¹ P.L. 90-248, sec. 403(h) (1), inserted "chapter 89 of title 5, United States Code" in lieu of "the Federal Employees Health Benefits Act of 1959".

in a health benefits plan under such chapter ¹² and to continue such enrollment (but this subparagraph shall not apply unless he or such other person was a Federal employee at any time after February 15, 1965).

Paragraph (3) shall not apply in the case of any individual for the month (or any month thereafter) in which coverage under such a health benefits plan ceases (or would have ceased if he had had such coverage) by reason of his or some other person's separation from Federal service, if he or such other person was not (or would not have been) eligible to continue such coverage after such separation.

(c) There are authorized to be appropriated to the Federal Hospital Insurance Trust Fund (established by section 1817 of the Social Security Act) from time to time such sums as the Secretary deems necessary for any fiscal year, on account of—

(1) payments made or to be made during such fiscal year from such Trust Fund under part A of title XVIII of such Act with respect to individuals who are entitled to hospital insurance benefits under section 226 of such Act solely by reason of this section.

(2) the additional administrative expenses resulting or expected to result therefrom, and

(3) any loss in interest to such Trust Fund resulting from the payment of such amounts,

in order to place such Trust Fund in the same position at the end of such fiscal year in which it would have been if the preceding subsections of this section had not been enacted.

Suspension in Case of Aliens; Persons Convicted of Subversive Activities

Sec. 104. * * *

(b) (1) No payments shall be made under part B of title XVIII of the Social Security Act with respect to expenses incurred by an individual during any month for which such individual may not be paid monthly benefits under title II of such Act (or for which such monthly benefits would be suspended if he were otherwise entitled thereto) by reason of section 202(t) of such Act (relating to suspension of benefits of aliens who are outside the United States).

(2) An individual who has been convicted of any offense under (A) chapter 37 (relating to espionage and censorship), chapter 105 (relating to sabotage), or chapter 115 (relating to treason, sedition, and subversive activities) of title 18 of the United States Code, or (B) section 4, 112, or 113 of the Internal Security Act of 1950, as amended, may not enroll under part B of title XVIII of the Social Security Act.

Sec. 105. (a) * * *

(2) For purposes of section 21 of the Railroad Retirement Act of 1937 (and sections 1840, 1843, and 1870 of the Social Security Act), entitlement to an annuity or pension under the Railroad Retirement Act of 1937 shall be deemed to include entitlement under the Railroad Retirement Act of 1935.

Meaning of term "Secretary"

Sec. 110. As used in this Act, and in the provisions of the Social Security Act amended by this Act, the term "Secretary", unless the

¹² P.L. 90-248, sec. 403(h) (2), inserted "such chapter" in lieu of "such Act".

context otherwise requires, means the Secretary of Health, Education, and Welfare.

Sec. 111. * * *

(d) There are authorized to be appropriated to the Federal Hospital Insurance Trust Fund (established by section 1817 of the Social Security Act) from time to time such sums as the Secretary deems necessary for any fiscal year, on account of—

(1) payments made or to be made during such fiscal year from such Trust Fund under part A of title XVIII of such Act with respect to individuals who are qualified railroad retirement beneficiaries (as defined in section 226(c) of such Act) and who are not, and upon filing application for monthly insurance benefits under section 202 of such Act would not be, entitled to such benefits if service as an employee (as defined in the Railroad Retirement Act of 1937) after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act,

(2) the additional administrative expenses resulting or expected to result therefrom, and

(3) any loss of interest to such Trust Fund resulting from the payment of such amounts,

in order to place such Trust Fund in the same position at the end of such fiscal year in which it would have been if the individuals described in paragraph (1) had not been entitled to benefits under part A of title XVIII of the Social Security Act.

(e) (1) The amendments made by the preceding provisions of this section shall apply to the calendar year 1966 or to any subsequent calendar year, but only if the requirement in paragraph (2) has been met with respect to such calendar year.

(2) The requirement referred to in paragraph (1) shall be deemed to have been met with respect to any calendar year if, as of the October 1 immediately preceding such calendar year, the Railroad Retirement Tax Act provides that the maximum amount of monthly compensation taxable under such Act during all months of such calendar year will be an amount equal to one-twelfth of the maximum wages which the Federal Insurance Contributions Act provides may be counted for such calendar year.¹³

Sec. 121. * * *

(b) No payment may be made to any State under title I, IV, X, XIV, or XVI of the Social Security Act with respect to aid or assistance in the form of medical or any other type of remedial care for any period for which such State receives payments under title XIX of such Act, or for any period after December 31, 1969.

Evaluation and Report

Sec. 206. The Secretary shall submit to the President for transmission to the Congress before July 1, 1969, a full report of the administration of the provisions of section 532 of the Social Security Act (as added by section 205 of this Act), together with an evaluation of the program established thereby and his recommendations as to continuation of and modifications in that program.

¹³ P.L. 89-212, enacted September 29, 1965, amended the Railroad Retirement Tax Act so that the requirements of secs. 111(e) (1) and (2) are deemed met with respect to the year 1966 and subsequent years. See pp. 425-429, vol. I.

Part 4—Miscellaneous Amendments Relating to Health Care

Health Study of Resources Relating to Children's Emotional Illness

Sec. 231. (a) The Secretary of Health, Education, and Welfare is authorized, upon the recommendation of the National Advisory Mental Health Council and after securing the advice of experts in pediatrics and child welfare, to make grants for carrying out a program of research into and study of our resources, methods, and practices for diagnosing or preventing emotional illness in children and of treating, caring for, and rehabilitating children with emotional illnesses.

(b) Such grants may be made to one or more organizations, but only on condition that the organization will undertake and conduct, or if more than one organization is to receive such grants, only on condition that such organizations have agreed among themselves to undertake and conduct, a coordinated program of research into and study of all aspects of the resources, methods, and practices referred to in subsection (a).

(c) As used in subsection (b), the term "organization" means a nongovernmental agency, organization, or commission, composed of representatives of leading national medical, welfare, educational, and other professional associations, organizations, or agencies active in the field of mental health of children.

(d) There are authorized to be appropriated for the fiscal year ending June 30, 1966, the sum of \$500,000 to be used for a grant or grants to help initiate the research and study provided for in this section; and the sum of \$500,000 for the succeeding fiscal year for the making of such grants as may be needed to carry the research and study to completion. The terms of any such grant shall provide that the research and study shall be completed not later than three¹⁴ years from the date it is inaugurated; that the grantee shall file annual reports with the Congress, the Secretary, and the Governors of the several States, among others that the grantee may select; and that the final report shall be similarly filed.

* * * * *

Sec. 301. * * *

(e) If an individual is entitled to a disability insurance benefit under section 223 of the Social Security Act for December 1964 on the basis of an application filed after enactment of this Act and is entitled to old-age insurance benefits under section 202(a) of such Act for January 1965, then, for purposes of section 215(a)(4) of the Social Security Act (if applicable) the amount of column IV of the table appearing in such section 215(a) for such individual shall be the amount in such column on the line on which in column II appears his primary insurance amount (as determined under section 215(c) of such Act) instead of the amount in column IV equal to his disability insurance benefit.

* * * * *

Sec. 302. * * *

(f) (2) Any individual who would, upon filing an application prior to January 2, 1966, be entitled to a recomputation of his monthly benefit amount for purposes of title II of the Social Security Act shall

¹⁴ P.L. 90-248, sec. 305, inserted "three" in lieu of "two".

be deemed to have filed such application on the earliest date on which such application could have been filed, or on the day on which this Act is enacted, whichever is the later.

(3) In the case of an individual who died after 1960 and prior to 1966 and who was entitled to old-age insurance benefits under section 202(a) of the Social Security Act at the time of his death, the provisions of sections 215(f)(3)(B) and 215(f)(4) of such Act as in effect before the enactment of this Act shall apply.

(4) In the case of a man who attains age 65 prior to 1966, or dies before such year, the provisions of section 215(f)(7) of the Social Security Act as in effect before the enactment of this Act shall apply.

* * * * *

Sec. 303. * * *

(f)(1) The amendments made by subsection (a), paragraphs (3) and (4) of subsection (b), and subsections (c) and (d), and the provisions of subparagraphs (B) and (E) of section 216(i)(2) of the Social Security Act (as amended by subsection (b)(1) of this section), shall be effective with respect to applications for disability insurance benefits under section 223, and for disability determinations under section 216(i), of the Social Security Act filed—

(A) in or after the month in which this Act is enacted, or

(B) before the month in which this Act is enacted, if the applicant has not died before such month and if—

(i) notice of the final decision of the Secretary of Health, Education, and Welfare has not been given to the applicant before such month; or

(ii) the notice referred to in subparagraph (i) has been so given before such month but a civil action with respect to such final decision is commenced under section 205(g) of the Social Security Act (whether before, in, or after such month) and the decision in such civil action has not become final before such month;

except that no monthly insurance benefits under title II of the Social Security Act shall be payable or increased by reason of the amendments made by subsections (a) and (b) for months before the second month following the month in which this Act is enacted. The preceding sentence shall also be applicable in the case of applications for monthly insurance benefits under title II of the Social Security Act based on the wages and self-employment income of an applicant with respect to whose application for disability insurance benefits under section 223 of such Act such preceding sentence is applicable.

* * * * *

Employees of Nonprofit Organizations

Sec. 316. * * *

(d) If—

(1) an individual performed service with respect to which remuneration was paid before the date of enactment of this Act by an organization which, before such date, filed a waiver cer-

tificate pursuant to section 3121(k) (1) of the Internal Revenue Code,

(2) such service is excluded from employment under title II of the Social Security Act but would not be excluded therefrom if the requirements of such section 3121(k) (1) had been met with respect to such service,

(3) such service was performed during the period such certificate was in effect, and

(4) such individual was listed pursuant to such section 3121(k) (1) at any time during such period and before the date of enactment of this Act as an employee who concurred in the filing of such certificate or such individual filed a request for coverage pursuant to section 105(b) of the Social Security Amendments of 1960, as in effect prior to the enactment of this Act (but such listing or request was not effective with respect to the service described above),

then, subject to the conditions stated in subparagraphs (B), (C), (D), and (E) of paragraph (1), and paragraph (4), of section 105(b) of the Social Security Amendments of 1960, as amended by this section, the remuneration of such individual which was paid with respect to such excluded service shall be deemed to constitute remuneration for employment for purposes of such title II; except that, for purposes of this subsection, in applying subparagraph (C) of paragraph (1) of such section 105(b) the date of enactment of this Act shall be considered to be the date on which the organization filed its certificate under section 3121(k) (1) and any reference, in paragraph (4) of such section, to such paragraph (1) shall be considered a reference to the preceding provisions of this subsection.

* * * * *

Tax Exemption for Religious Groups Opposed to Insurance

Sec. 319. * * *

(f) If refund or credit of any overpayment resulting from the enactment of this section is prevented on the date of the enactment of this Act or at any time on or before April 15, 1966, by the operation of any law or rule of law, refund or credit of such overpayment may, nevertheless, be made or allowed if claim therefor is filed on or before April 15, 1966. No interest shall be allowed or paid on any overpayment resulting from the enactment of this section.

* * * * *

Validating Certificates Filed by Ministers

Sec. 331. * * *

(b) In the case of a certificate or supplemental certificate filed pursuant to section 1402(e) (5) of the Internal Revenue Code of 1954, as amended by subsection (a)—

(1) for purposes of computing interest, the due date for the payment of the tax under section 1401 of such Code which is due for any taxable year ending before January 1, 1966, solely by

reason of the filing of a certificate which is effective under such section 1402(e) (5) shall be April 15, 1967;

(2) for purposes of section 6501 of such Code, the statutory period for the assessment of any tax for any taxable year for which tax is due solely by reason of the filing of such certificate shall not expire before April 16, 1970; and

(3) for purposes of section 6651 of such Code (relating to addition to tax for failure to file tax return), the amount of tax required to be shown on the return shall not include tax under section 1401 of such Code which is due for any taxable year ending before January 1, 1966, solely by reason of the filing of a certificate which is effective under section 1402(e) (5).

(c) Notwithstanding any provision of section 205(c) (5) (F) of the Social Security Act, the Secretary of Health, Education, and Welfare may conform, before April 16, 1970, his records to tax returns or statements of earnings which constitute self-employment income solely by reason of the filing of a certificate which is effective under section 1402(e) (5) of such Code.

(d) The amendments made by this section shall be applicable (except as otherwise specifically provided therein) only to certificates with respect to which supplemental certificates are filed pursuant to section 1402(e) (5) (A) of such Code after the date of the enactment of this Act and to certificates filed pursuant to section 1402(e) (5) (B) after such date; except that no monthly benefits under title II of the Social Security Act for the month in which this Act is enacted or any prior month shall be payable or increased by reason of such amendments, and no lump-sum death payment under such title shall be payable or increased by reason of such amendments in the case of any individual who died prior to the date of the enactment of this Act. The provisions of section 1402(e) (5) and (6) of the Internal Revenue Code of 1954 which were in effect before the date of enactment of this Act shall be applicable with respect to any certificate filed pursuant thereto before such date if a supplemental certificate is not filed with respect to such certificate as provided in this section.

* * * * *

Modification of Agreement With North Dakota and Iowa With Respect to Certain Students

Sec. 338. Notwithstanding any provision of section 218 of the Social Security Act, the agreements with the States of North Dakota and Iowa entered into pursuant to such section may, at the option of the State, be modified so as to exclude service performed in any calendar quarter in the employ of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university and if the remuneration for such service is less than \$50. Any modification of either of such agreements pursuant to this Act shall be effective with respect to services performed after an effective date specified in such modifica-

tion, except that such date shall not be earlier than the date of enactment of this Act.

* * * * *

Rectifying Error in Interpreting Law With Respect to Certain School Employees in Alaska

Sec. 342. For purposes of the agreement under section 218 of the Social Security Act entered into by the State of Alaska, or its predecessor the Territory of Alaska, where employees of an integral unit of a political subdivision of the State or Territory of Alaska have in good faith been included under the State or Territory's agreement as a coverage group on the basis that such integral unit of a political subdivision was a political subdivision, then such unit of the political subdivision shall, for the purposes of section 218(b)(2) of such Act, be deemed to be a political subdivision, and employees performing services within such unit shall be deemed to be a coverage group, effective with the effective date specified in such agreement or modification of such agreement with respect to such coverage group and ending with the last day of the year in which this Act is enacted.

* * * * *

Disregarding OASDI Benefit Increase, and Child's Insurance Benefit Payments Beyond Age 18, to the Extent Attributable to Retroactive Effective Date

Sec. 406. Notwithstanding the provisions of sections 2(a)(10) and (11)(D), 402(a)(7), 1002(a)(8), 1402(a)(8), and 1602(a)(13) and (14) of the Social Security Act, a State may disregard, in determining need for aid or assistance under a State plan approved under title I, IV, X, XIV, or XVI of such Act, any amount paid to any individual under title II of such Act (or under the Railroad Retirement Act of 1937 by reason of section 326(a) of this Act), for any one or more months which occur after December 1964 and before the third month following the month in which this Act is enacted, to the extent that such payment is attributable—

(1) to the increase in monthly insurance benefits under the old-age, survivors, and disability insurance system resulting from the enactment of section 301 of this Act, or

(2) to the payment of child's insurance benefits under such system after attainment of age 18, in the case of individuals attending school, resulting from the enactment of section 306 of this Act.

* * * * *

Extension of Grace Period for Disregarding Certain Income for States Where Legislature Has Not Met in Regular Session

Sec. 407. Notwithstanding the provisions of section 701 of the Economic Opportunity Act of 1964, no funds to which a State is otherwise entitled under title I, IV, X, XIV, XVI, or XIX of the Social Security Act for any period before the first month beginning

after the adjournment of a State's first regular legislative session which adjourns after August 20, 1964 (the date of enactment of the Economic Opportunity Act of 1964), shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a) of such section 701.

* * * * *

Social Security Act Amendments of 1967

Medical Enrollment Act of 1967

[P.L. 90-97, Approved Sept. 30, 1967]

AN ACT

To extend through March 1968 the first general enrollment period under part B of title XVIII of the Social Security Act (relating to supplementary medical insurance benefits for the aged), and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

The general enrollment period under section 1837(e) of the Social Security Act beginning October 1, 1967, and ending December 31, 1967, shall, for purposes of enrolling in the insurance program established under part B of title XVIII of such Act and of terminating such enrollment as provided in section 1838(b)(1) of such Act, be extended through March 31, 1968.

Sec. 2. Notwithstanding the provisions of section 1839 (a) and (b) of the Social Security Act—

(1) the dollar amount applicable for premiums under part B of title XVIII of such Act for each month before April 1968 shall be \$3, and

(2) the Secretary of Health, Education, and Welfare may determine and promulgate such dollar amount for months after March 1968 and before January 1970 at any time on or before December 31, 1967.

Sec. 3. (a) In the case of any individual who, pursuant to section 1838(b)(1) of the Social Security Act, terminates his enrollment in the insurance program established under part B of title XVIII of such Act, his coverage period (as defined in section 1838(a) of such Act)—

(1) shall terminate at the close of December 31, 1967, if he filed his notice of termination before January 1, 1968, or

(2) shall terminate at the close of March 31, 1968, if he filed his notice of termination after December 31, 1967, and before April 1, 1968.

An individual whose coverage period terminated pursuant to paragraph (1) at the close of December 31, 1967, may, notwithstanding section 1837(b)(2) of such Act, enroll in such program before April 1, 1968, and for purposes of sections 1838(a)(2)(E) and 1837(b)(2) of such Act such enrollment shall be deemed an enrollment under section 1837(e) of such Act and a second enrollment under such part.

(b) In the case of any individual who did not enroll in the insurance program established under part B of title XVIII of the Social Security Act in his initial enrollment period, but does so enroll before April 1, 1968, the enrollment period in which he so enrolls shall, for purposes of section 1839(c) of such Act, be deemed to have closed on December 31, 1967.

Social Security Amendments of 1967

[P.L. 90-248, Approved January 2, 1968]

Sec. 101. * * *

(f) If an individual was entitled to a disability insurance benefit under section 223 of the Social Security Act for the month of January 1968 and became entitled to old-age insurance benefits under section 202(a) of such Act for the month of February 1968, or who died in such month, then, for purposes of section 215(a)(4) of the Social Security Act (if applicable) the amount in column IV of the table appearing in such section 215(a) for such individual shall be the amount in such column on the line on which in column II appears his primary insurance amount (as determined under section 215(c) of such Act) instead of the amount in column IV equal to the primary insurance amount on which his disability insurance benefit is based.

Advisory Council To Study Coverage of the Disabled Under Title XVIII of the Social Security Act

Sec. 140. (a) The Secretary of Health, Education, and Welfare shall appoint an Advisory Council to study the need for coverage of the disabled under the health insurance program of title XVIII of the Social Security Act.

(b) The Council shall be appointed by the Secretary during 1968 without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and shall consist of 12 persons who shall, to the extent possible, represent organizations of employers and employees in equal numbers, and represent self-employed persons and the public.

(c) The Council is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary shall, in addition, make available to such Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out such functions.

(d) Members of the Council, while serving on the business of the Council (inclusive of travel time), shall receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

(e) The Council shall make findings on the unmet need of the disabled for health insurance, on the costs involved in providing the dis-

abled with insurance protection to cover the cost of hospital and medical services, and on the ways of financing this insurance. The Council shall submit a report of its findings to the Secretary not later than January 1, 1969, together with recommendations on how such protection should be financed and, if such financing is to be accomplished through the trust funds established under title XVIII of the Social Security Act, on the extent to which each of such trust funds should bear the cost of such financing. Such report shall thereupon be transmitted to the Congress and to the Boards of Trustees created by sections 1817(b) and 1841(b) of the Social Security Act. After the date of transmittal to the Congress of the report, the Council shall cease to exist.

Study To Determine Feasibility of Inclusion of Certain Additional Services Under Part B of Title XVIII of the Social Security Act

Sec. 141. The Secretary shall make a study relating to the inclusion under the supplementary medical insurance program (part B of title XVIII of the Social Security Act) of services of additional types of licensed practitioners performing health services in independent practice. The Secretary shall make a report to the Congress prior to January 1, 1969, of his finding with respect to the need for covering, under the supplementary medical insurance program, any of the various types of services such practitioners perform and the costs to such program of covering such additional services, and shall make recommendations as to the priority and method for covering these services and the measures that should be adopted to protect the health and safety of the individuals to whom such services would be furnished.

Provisions for Benefits Under Part A of Title XVIII of the Social Security Act for Services to Patients Admitted Prior to 1968 to Certain Hospitals

Sec. 142. (a) Notwithstanding any provision of title XVIII of the Social Security Act, an individual who is entitled to hospital insurance benefits under section 226 of such Act may, subject to subsections (b) and (c), receive, on the basis of an itemized bill, reimbursement for charges to him for inpatient hospital services (as defined in section 1861 of such Act, but without regard to subsection (e) of such section) furnished by, or under arrangements (as defined in section 1861(w) of such Act) with, a hospital if—

(1) the hospital did not have an agreement in effect under section 1866 of such Act but would have been eligible for payment under part A of title XVIII of such Act with respect to such services if at the time such services were furnished the hospital had such an agreement in effect;

(2) the hospital (A) meets the requirements of paragraphs (5) and (7) of section 1861(e) of such Act, (B) is not primarily engaged in providing the services described in section 1861(j) (1) (A) of such Act, and (C) is primarily engaged in providing, by or under the supervision of individuals referred to in paragraph (1) of section 1861(r) of such Act, to inpatients (i) diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled, or sick persons, or (ii)

rehabilitation services for the rehabilitation of injured, disabled, or sick persons;

(3) the hospital did not meet the requirements that must be met to permit payment to the hospital under part A of title XVIII of such Act; and

(4) an application is filed (submitted in such form and manner and by such person, and containing and supported by such information, as the Secretary shall by regulations prescribe) for reimbursement before January 1, 1969.

(b) Payments under this section may not be made for inpatient hospital services (as described in subsection (a)) furnished to an individual—

(1) prior to July 1, 1966,

(2) after December 31, 1967, unless furnished with respect to an admission to the hospital prior to January 1, 1968, and

(3) for more than—

(A) 90 days in any spell of illness, but only if (i) prior to January 1, 1969, the hospital furnishing such services entered into an agreement under section 1866 of the Social Security Act and (ii) the hospital's plan for utilization review, as provided for in section 1861(k) of such Act, has, in accordance with section 1814 of such Act, been applied to the services furnished such individual, or

(B) 20 days in any spell of illness, if the hospital did not meet the conditions of clauses (i) and (ii) of subparagraph (A)

(c) (1) The amounts payable in accordance with subsection (a) with respect to inpatient hospital services shall, subject to paragraph (2) of this subsection, be paid from the Federal Hospital Insurance Trust Fund in amounts equal to 60 percent of the hospital's reasonable charges for routine services furnished in the accommodations occupied by the individual or in semi-private accommodations (as defined in section 1861(v)(4) of the Social Security Act) whichever is less, plus 80 percent of the hospital's reasonable charges for ancillary services. If separate charges for routine and ancillary services are not made by the hospital, reimbursement may be based on two-thirds of the hospital's reasonable charges for the services received but not to exceed the charges which would have been made if the patient had occupied semi-private accommodations (as so defined). For purposes of the preceding provisions of this paragraph, the term "routine services" shall mean the regular room, dietary, and nursing services, minor medical and surgical supplies and the use of equipment and facilities for which a separate charge is not customarily made; the term "ancillary services" shall mean those special services for which charges are customarily made in addition to routine services.

(2) Before applying paragraph (1), payments made under this section shall be reduced to the extent provided for under section 1813 of the Social Security Act in the case of benefits payable to providers of services under part A of title XVIII of such Act.

(d) For the purposes of this section—

(1) the 90-day period, referred to in subsection (b)(3)(A), shall be reduced by the number of days of inpatient hospital

services furnished to such individual during the spell of illness, referred to therein, and with respect to which he was entitled to have payment made under part A of title XVIII of the Social Security Act;

(2) the 20-day period, referred to in subsection (b) (3) (B) shall be reduced by the number of days in excess of 70 days of inpatient hospital services furnished during the spell of illness, referred to therein, and with respect to which such individual was entitled to have payment made under such part A;

(3) the term "spell of illness" shall have the meaning assigned to it by subsection (a) of section 1861 of such Act except that the term "inpatient hospital services" as it appears in such subsection shall have the meaning assigned to it by subsection (a) of this section.

Deemed Basis of Computation of Primary Insurance Amount

Sec. 155. (a) * * *

(8) In any case in which—

(A) any person became entitled to a monthly benefit under section 202 or 223 of the Social Security Act after the date of enactment of this Act and before February 1968, and

(B) the primary insurance amount on which the amount of such benefit is based was determined by applying section 215(d) of the Social Security Act as amended by this Act,

such primary insurance amount shall, for purposes of section 215(c) of the Social Security Act, as amended by this Act, be deemed to have been computed on the basis of the Social Security Act in effect prior to the enactment of this Act.

Time Limit for Filing Proof of Support

Sec. 157. * * *

(c) ¹⁵ In the case of any husband who would not be entitled to husband's insurance benefits under section 202(c) of the Social Security Act or any widower who would not be entitled to widower's insurance benefits under section 202(f) of such Act except for the enactment of this section, the requirement in section 202(c)(1)(C) or 202(f)(1)(D) of such Act relating to the time within which proof of support must be filed shall not apply if such proof of support is filed within two years after the month following the month in which this Act is enacted.

Sec. 162. * * *

(c) (3) Whenever benefits which an individual who is not a citizen or national of the United States was entitled to receive under title II of the Social Security Act are, on June 30, 1968, being withheld by the Treasury Department under the first section of the Act of October 9, 1940 (31 U.S.C. 123), any such benefits, payable to such individual for months after the month in which the determination by the Treas-

¹⁵ Applies with respect to monthly benefits payable under title II of the Act for the months after January 1968, but only on the basis of applications filed in or after January 1968.

ury Department that the benefits should be so withheld was made, shall not be paid—

(A) to any person other than such individual, or, if such individual dies before such benefits can be paid, to any person other than an individual who was entitled for the month in which the deceased individual died (with the application of section 202(j) (1) of the Social Security Act) to a monthly benefit under title II of such Act on the basis of the same wages and self-employment income as such deceased individual, or

(B) in excess of the equivalent of the last twelve months' benefits that would have been payable to such individual.

Sec. 163. * * *

(b) Where—

(1) one or more persons were entitled (without the application of section 202(j) (1) of the Social Security Act) to monthly benefits under section 202 or 223 of such Act for January 1968 on the basis of the wages and self-employment income of an individual, and

(2) one or more persons became entitled to monthly benefits before January 1968 under section 202(d) of such Act by reason of section 216(h) (3) of such Act (but without regard to section 202(j) (1)), on the basis of such wages and self-employment income and are so entitled for January 1968, and

(3) the total of benefits to which all persons are entitled under such section 202 or 223 of such Act on the basis of such wages and self-employment for January 1968 are reduced by reason of section 203(a) of such Act, as amended by this Act (or would, but for the penultimate sentence of such section 203(a), be so reduced),

then the amount of the benefit to which each such person referred to in paragraph (1) above (but not including persons referred to in paragraph (2) above) is entitled for months after January 1968 shall be increased, after the application of such section 203(a), to the amount it would have been if the person or persons referred to in paragraph (2) were not entitled to a benefit referred to in such paragraph (2).

General Saving Provision

Sec. 170. Where—

(1) one or more persons were entitled (without the application of section 202(j) (1) of the Social Security Act) to monthly benefits under section 202 or 223 of such Act for January 1968 on the basis of the wages and self-employment income of an individual, and

(2) one or more persons (not included in paragraph (1)) become entitled to monthly benefits under such section 202 for February 1968 on the basis of such wages and self-employment by reason of the amendments made to such Act by sections 104, 112, 150, 151, 156, and 157 of this Act, and

(3) the total of benefits to which all persons are entitled under such section 202 or 223 on the basis of such wages and self-employment for February 1968 are reduced by reason of section 203(a) of such Act, as amended by this Act (or would, but for

the penultimate sentence of such section 203(a), be so reduced), then the amount of the benefit to which each such person referred to in paragraph (1) is entitled for months after January 1968 shall be increased, after the application of such section 203(a), to the amount it would have been if the person or persons referred to in paragraph (2) were not entitled to a benefit referred to in such paragraph.

Sec. 234. * * *

(c) Notwithstanding any other provision of law, after June 30, 1968, no Federal funds shall be paid to any State as Federal matching under title I, X, XIV, XVI, or XIX of the Social Security Act for payments made to any nursing home for or on account of any nursing home services provided by such nursing home for any period during which such nursing home is determined not to meet fully all requirements of the State for licensure as a nursing home, except that the Secretary may prescribe a reasonable period or periods of time during which a nursing home which has formerly met such requirements will be eligible for payments which include Federal participation if during such period or periods such home promptly takes all necessary steps to again meet such requirements.

Sec. 240. * * *

(f) In the case of any State which has a plan developed as provided in part 3 of title V of the Social Security Act as in effect prior to the enactment of this Act—

(1) such plan shall be treated as a plan developed, as provided in part B of title IV of such Act, on the date this Act is enacted;

(2) any sums appropriated, allotted, or reallocated pursuant to part 3 of title V for the fiscal year ending June 30, 1968, shall be deemed appropriated, allotted, or reallocated (as the case may be) under part B of title IV of such Act for such fiscal year; and

(3) any overpayment or underpayment which the Secretary determines was made to the State under section 523 of the Social Security Act and with respect to which adjustment has not then already been made under subsection (b) of such section shall, for purposes of section 422 of such Act, be considered an overpayment or underpayment (as the case may be) made under section 422 of such Act.

(g) Any sums appropriated or grants made pursuant to section 526 of the Social Security Act (as in effect prior to the enactment of this Act) shall be deemed to have been appropriated or made (as the case may be) under section 426 of the Social Security Act (as added by subsection (c) of this section).

(h) Each State plan approved under title IV of the Social Security Act as in effect on the day preceding the date of the enactment of this Act shall be deemed, without the necessity of any change in such plan, to have been conformed with the amendments made by subsections (a) and (b) of this section.

Incentives for Economy While Maintaining or Improving Quality in the Provision of Health Services

Sec. 402. (a) The Secretary of Health, Education, and Welfare is authorized to develop and engage in experiments under which physicians who would otherwise be entitled to receive payment on the basis of reasonable charge, and organizations and institutions which

would otherwise be entitled to reimbursement or payment on the basis of reasonable cost, for services provided—

(1) under title XVIII of the Social Security Act,

(2) under a State plan approved under title XIX of such Act, or

(3) under a plan developed under title V of such Act, and which are selected by the Secretary in accordance with regulations established by the Secretary, would be reimbursed or paid in any manner mutually agreed upon by the Secretary and the physician, organization, or institution. The method of payment (in the case of physicians) or reimbursement (in the case of an organization or institution) which may be applied in such experiments shall be such as the Secretary may select and may be based on charges or costs adjusted by incentive factors and may include specific incentive payments or reductions of payments for the performance of specific actions but in any case shall be such as he determines may, through experiment, be demonstrated to have the effect of increasing the efficiency and economy of health services through the creation of additional incentives to these ends without adversely affecting the quality of such services.

(b) In the case of any experiment under subsection (a), the Secretary may waive compliance with the requirements of titles XVIII, XIX, and V of the Social Security Act insofar as such requirements relate to reimbursement or payment on the basis of reasonable cost, or (in the case of physicians) on the basis of reasonable charge; and costs incurred in such experiment in excess of the costs which would otherwise be reimbursed or paid under such titles may be reimbursed or paid to the extent that such waiver applies to them (with such excess being borne by the Secretary). No experiment shall be engaged in or developed under subsection (a) until the Secretary obtains the advice and recommendations of specialists who are competent to evaluate the proposed experiment as to the soundness of its objectives, the possibilities of securing productive results, the adequacy of resources to conduct the proposed experiment, and its relationship to other similar experiments already completed or in process.

Study of Retirement Test and of Drug Standards and Coverage

Sec. 405. (a) The Secretary of Health, Education, and Welfare is authorized and directed to study (1) the existing retirement test and proposals for the modification of such test (including proposals for an increase in old-age insurance benefit amounts on account of delayed retirement), (2) quality and cost standards for drugs for which payments are made under the Social Security Act, and (3) the coverage of drugs under part B of title XVIII of such Act.

(b) On or before January 1, 1969, the Secretary shall transmit to the President and the Congress a report which shall contain his findings of fact and any conclusions or recommendations he may have.

SUPERSEDED PROVISIONS OF THE SOCIAL SECURITY ACT

Provisions of title II of the Social Security Act as in Effect Prior to the 1939 Amendments to the Social Security Act

TITLE II—FEDERAL OLD-AGE BENEFITS

Old-Age Reserve Account

Section 201. (a) There is hereby created an account in the Treasury of the United States to be known as the "Old-Age Reserve Account" hereinafter in this title called the "Account". There is hereby authorized to be appropriated to the Account for each fiscal year, beginning with the fiscal year ending June 30, 1937, an amount sufficient as an annual premium to provide for the payments required under this title, such amount to be determined on a reserve basis in accordance with accepted actuarial principles, and based upon such tables of mortality as the Secretary of the Treasury shall from time to time adopt, and upon an interest rate of 3 per centum per annum compounded annually. The Secretary of the Treasury shall submit annually to the Bureau of the Budget an estimate of the appropriations to be made to the Account.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the Account as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Account. Such special obligations shall bear interest at the rate of 3 per centum per annum. Obligations other than such special obligations may be acquired for the Account only on such terms as to provide an investment yield of not less than 3 per centum per annum.

(c) Any obligations acquired by the Account (except special obligations issued exclusively to the Account) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Account shall be credited to and form a part of the Account.

(e) All amounts credited to the Account shall be available for making payments required under this title.

(f) The Secretary of the Treasury shall include in his annual report the actuarial status of the Account.

Old-Age Benefit Payments

Sec. 202. (a) Every qualified individual (as defined in section 210) shall be entitled to receive, with respect to the period beginning on the date he attains the age of sixty-five, or on January 1, 1942, whichever is the later, and ending on the date of his death, an old-age benefit (payable as nearly as practicable in equal monthly installments) as follows:

(1) If the total wages (as defined in section 210) determined by the Board to have been paid to him, with respect to employment (as defined in section 210) after December 31, 1936, and before he attained the age of sixty-five, were not more than \$3,000, the old-age benefit shall be at a monthly rate of one-half of 1 per centum of such total wages;

(2) If such total wages were more than \$3,000, the old-age benefit shall be at a monthly rate equal to the sum of the following:

(A) One-half of 1 per centum of \$3,000; plus

(B) One-twelfth of 1 per centum of the amount by which such total wages exceeded \$3,000 and did not exceed \$45,000; plus

(C) One-twenty-fourth of 1 per centum of the amount by which such total wages exceeded \$45,000.

(b) In no case shall the monthly rate computed under subsection (a) exceed \$85.

(c) If the Board finds at any time that more or less than the correct amount has theretofore been paid to any individual under this section, then, under regulations made by the Board, proper adjustments shall be made in connection with subsequent payments under this section to the same individual.

(d) Whenever the Board finds that any qualified individual has received wages with respect to regular employment after he attained the age of sixty-five, the old-age benefit payable to such individual shall be reduced, for each calendar month in any part of which such regular employment occurred, by an amount equal to one month's benefit. Such reduction shall be made, under regulations prescribed by the Board, by deductions from one or more payments of old-age benefit to such individual.

Payments Upon Death

Sec. 203. (a) If any individual dies before attaining the age of sixty-five, there shall be paid to his estate an amount equal to $3\frac{1}{2}$ per centum of the total wages determined by the Board to have been paid to him, with respect to employment after December 31, 1936.

(b) If the Board finds that the correct amount of the old-age benefit payable to a qualified individual during his life under section 202 was less than $3\frac{1}{2}$ per centum of the total wages by which such old-age benefit was measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which such $3\frac{1}{2}$ per centum exceeds the amount (whether more or less than the correct amount) paid to him during his life as old-age benefit.

(c) If the Board finds that the total amount paid to a qualified individual under an old-age benefit during his life was less than the correct amount to which he was entitled under section 202, and that the correct amount of such old-age benefit was $3\frac{1}{2}$ per centum or more of the total wages by which such old-age benefit was measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which the correct amount of the old-age benefit exceeds the amount which was so paid to him during his life.

Payments to Aged Individuals Not Qualified for Benefits

Sec. 204. (a) There shall be paid in a lump sum to any individual who, upon attaining the age of sixty-five, is not a qualified individual, an amount equal to $3\frac{1}{2}$ per centum of the total wages determined by the Board to have been paid to him, with respect to employment after December 31, 1936, and before he attained the age of sixty-five.

(b) After any individual becomes entitled to any payment under subsection (a), no other payment shall be made under this title in any manner measured by wages paid to him, except that any part of any payment under subsection (a) which is not paid to him before his death shall be paid to his estate.

Amounts of \$500 or Less Payable to Estates

Sec. 205. If any amount payable to an estate under section 203 or 204 is \$500 or less, such amount may, under regulations prescribed by the Board, be paid to the persons found by the Board to be entitled thereto under the law of the State in which the deceased was domiciled, without the necessity of compliance with the requirements of law with respect to the administration of such estate.

Overpayments During Life

Sec. 206. If the Board finds that the total amount paid to a qualified individual under an old-age benefit during his life was more than the correct amount to which he was entitled under section 202, and was $3\frac{1}{2}$ per centum or more of the total wages by which such old-age benefit was measurable, then upon his death there shall be repaid to the United States by his estate the amount, if any, by which such total amount paid to him during his life exceeds whichever of the following is the greater: (1) Such $3\frac{1}{2}$ per centum, or (2) the correct amount to which he was entitled under section 202.

Method of Making Payments

Sec. 207. The Board shall from time to time certify to the Secretary of the Treasury the name and address of each person entitled to receive a payment under this title, the amount of such payment, and the time at which it should be made, and the Secretary of the Treasury through the Division of Disbursement of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with the certification by the Board.

Assignment

Sec. 208. The right of any person to any future payment under this title shall not be transferable or assignable, at law or in equity, and none of the moneys paid or payable or rights existing under this title shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

Penalties

Sec. 209. Whoever in any application for any payment under this title makes any false statement as to any material fact, knowing such statement to be false, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

Definitions

Sec. 210. When used in this title—

(a) The term “wages” means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include that part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment during any calendar year, is paid to such individual by such employer with respect to employment during such calendar year.

(b) The term “employment”¹ means any service, of whatever nature, performed within the United States by an employee for his employer, except—

- (1) Agricultural labor;²
- (2) Domestic service in a private home;
- (3) Casual labor not in the course of the employer’s trade or business;
- (4) Service performed as an officer or member of the crew of a vessel documented under the laws of the United States or of any foreign country;
- (5) Service performed in the employ of the United States Government or of an instrumentality of the United States;
- (6) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;
- (7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

¹ These definitions of “wages” and “employment” remain effective as to services performed in 1937, 1938, or 1939.

See sec. 902(f) of Social Security Act Amendments of 1939, p. 481, this volume, with respect to exemption of service performed prior to January 1, 1940, in the employ of foreign governments and their wholly owned instrumentalities.

Sec. 17 of the Railroad Retirement Act of 1937 modified the term “employment” as used above as follows:

“The term ‘employment,’ as defined in subsection (b) of section 210 of title II of the Social Security Act, shall not include service performed by an individual as an employee as defined in section 1(b).”

² See sec. 2 of the Act of August 11, 1939, p. 706, this volume, with respect to exemption of service performed prior to January 1, 1940, in clearing land after a hurricane.

(c) The term "qualified individual" means any individual with respect to whom it appears to the satisfaction of the Board that—

- (1) He is at least sixty-five years of age; and
- (2) The total amount of wages paid to him, with respect to employment after December 31, 1936, and before he attained the age of sixty-five, was not less than \$2,000; and
- (3) Wages were paid to him, with respect to employment on some five days after December 31, 1936, and before he attained the age of sixty-five, each day being in a different calendar year.

Provisions of Title II of the Social Security Act as in Effect Prior to the 1950 Amendments to the Social Security Act

Section 201. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the "Federal Old-Age and Survivors Insurance Trust Fund" (hereinafter in this title called the "Trust Fund"). The Trust Fund shall consist of the securities held by the Secretary of the Treasury for the Old-Age Reserve Account and the amount standing to the credit of the Old-Age Reserve Account on the books of the Treasury on January 1, 1940, which securities and amount the Secretary of the Treasury is authorized and directed to transfer to the Trust Fund, and in addition, such amounts as may be appropriated to the Trust Fund as hereinafter provided. There is hereby appropriated to the Trust Fund for the fiscal year ending June 30, 1941, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of the taxes (including interest, penalties, and additions to the taxes) received under the Federal Insurance Contributions Act and covered into the Treasury. There is also authorized to be appropriated to the Trust Fund such additional sums as may be required to finance the benefits and payments provided under this title.

Old-Age and Survivors Insurance Benefit Payments

Primary Insurance Benefits

Sec. 202. (a) Every individual who (1) is a fully insured individual (as defined in section 209(g)) after December 31, 1939, (2) has attained the age of sixty-five, and (3) has filed application for primary insurance benefits, shall be entitled to receive a primary insurance benefit (as defined in section 209(e)) for each month, beginning with the month in which such individual becomes so entitled to such insurance benefits and ending with the month preceding the month in which he dies.

Wife's Insurance Benefits

(b) (1) Every wife (as defined in section 209(i)) of an individual entitled to primary insurance benefits, if such wife (A) has attained the age of sixty-five, (B) has filed application for wife's insurance benefits, (C) was living with such individual at the time such application was filed, and (D) is not entitled to receive primary insurance benefits, or is entitled to receive primary insurance benefits each of

which is less than one-half of a primary insurance benefit of her husband, shall be entitled to receive a wife's insurance benefit for each month, beginning with the month in which she becomes so entitled to such insurance benefits, and ending with the month immediately preceding the first month in which any of the following occurs: she dies, her husband dies, they are divorced a vinculo matrimonii, or she becomes entitled to receive a primary insurance benefit equal to or exceeding one-half of a primary insurance benefit of her husband.

(2) Such wife's insurance benefit for each month shall be equal to one-half of the primary insurance benefit of her husband, except that, if she is entitled to receive a primary insurance benefit for any month, such wife's insurance benefit for such month shall be reduced by an amount equal to a primary insurance benefit of such wife.

Child's Insurance Benefits

(c) (1) Every child (as defined in section 209(k)) of an individual entitled to primary insurance benefits, or of an individual who died a fully or currently insured individual (as defined in section 209(g) and (h)) after December 31, 1939, if such child (A) has filed application for child's insurance benefits, (B) at the time such application was filed was unmarried and had not attained the age of 18, and (C) was dependent upon such individual at the time such application was filed, or, if such individual has died, was dependent upon such individual at the time of such individual's death, shall be entitled to receive a child's insurance benefit for each month, beginning with the month in which such child becomes so entitled to such insurance benefits, and ending with the month immediately preceding the first month in which any of the following occurs: such child dies, marries, is adopted (except for adoption by a stepparent, grandparent, aunt, or uncle subsequent to the death of such fully or currently insured individual), or attains the age of eighteen.

(2) Such child's insurance benefit for each month shall be equal to one-half of a primary insurance benefit of the individual with respect to whose wages the child is entitled to receive such benefit, except that, when there is more than one such individual such benefit shall be equal to one-half of whichever primary insurance benefit is greatest.

(3) A child shall be deemed dependent upon a father or adopting father, or to have been dependent upon such individual at the time of the death of such individual, unless, at the time of such death, or, if such individual was living, at the time such child's application for child's insurance benefits was filed, such individual was not living with or contributing to the support of such child and—

(A) such child is neither the legitimate nor adopted child of such individual, or

(B) such child had been adopted by some other individual, or

(C) such child was living with and was chiefly supported by such child's stepfather.

(4) A child shall be deemed dependent, upon a mother, adopting mother, or stepparent, or to have been dependent upon such individual at the time of the death of such individual, only if, at the time of such death, or, if such individual was living, at the time such child's application for child's insurance benefits was filed, no parent other than

such individual was contributing to the support of such child and such child was not living with its father or adopting father.

Widow's Insurance Benefits

(d) (1) Every widow (as defined in section 209(j)) of an individual who died a fully insured individual after December 31, 1939, if such widow (A) has not remarried; (B) has attained the age of sixty-five, (C) has filed application for widow's insurance benefits, (D) was living with such individual at the time of his death, and (E) is not entitled to receive primary insurance benefits, or is entitled to receive primary insurance benefits each of which is less than three-fourths of a primary insurance benefit of her husband, shall be entitled to receive a widow's insurance benefit for each month, beginning with the month in which she becomes so entitled to such insurance benefits and ending with the month immediately preceding the first month in which any of the following occurs: she remarries, dies, or becomes entitled to receive a primary insurance benefit equal to or exceeding three-fourths of a primary insurance benefit of her husband.

(2) Such widow's insurance benefit for each month shall be equal to three-fourths of a primary insurance benefit of her deceased husband, except that, if she is entitled to receive a primary insurance benefit for any month, such widow's insurance benefit for such month shall be reduced by an amount equal to a primary insurance benefit of such widow.

Widow's Current Insurance Benefits

(e) (1) Every widow (as defined in section 209(j)) of an individual who died a fully or currently insured individual after December 31, 1939, if such widow (A) has not remarried, (B) is not entitled to receive a widow's insurance benefit, and is not entitled to receive primary insurance benefits, or is entitled to receive primary insurance benefits each of which is less than three-fourths of a primary insurance benefit of her husband, (C) was living with such individual at the time of his death, (D) has filed application for widow's current insurance benefits, and (E) at the time of filing such application has in her care a child of such deceased individual entitled to receive a child's insurance benefit, shall be entitled to receive a widow's current insurance benefit for each month, beginning with the month in which she becomes so entitled to such current insurance benefits and ending with the month immediately preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to receive a child's insurance benefit, she becomes entitled to receive a primary insurance benefit equal to or exceeding three-fourths of a primary insurance benefit of her deceased husband, she becomes entitled to receive a widow's insurance benefit, she remarries, she dies.

(2) Such widow's current insurance benefit for each month shall be equal to three-fourths of a primary insurance benefit of her deceased husband, except that, if she is entitled to receive a primary insurance benefit for any month, such widow's current insurance benefit for such month shall be reduced by an amount equal to a primary insurance benefit of such widow.

Parent's Insurance Benefits

(f) (1) Every parent (as defined in this subsection) of an individual who died a fully insured individual after December 31, 1939, if such individual did not leave a widow who meets the conditions in subsection (d) (1) (D) and (E) or an unmarried child under the age of eighteen deemed dependent on such individual under subsection (c) (3) and (4), and if such parent (A) has attained the age of sixty-five, (B) was chiefly dependent upon and supported by such individual at the time of such individual's death and filed proof of such dependency and support within two years of such date of death, (C) has not married since such individual's death, (D) is not entitled to receive any other insurance benefits under this section, or is entitled to receive one or more of such benefits for a month, but the total for such month is less than one-half of a primary insurance benefit of such deceased individual, and (E) has filed application for parent's insurance benefits, shall be entitled to receive a parent's insurance benefit for each month, beginning with the month in which such parent becomes so entitled to such parent's insurance benefits and ending with the month immediately preceding the first month in which any of the following occurs: such parent dies, marries, or becomes entitled to receive for any month an insurance benefit or benefits (other than a benefit under this subsection) in a total amount equal to or exceeding one-half of a primary insurance benefit of such deceased individual.

(2) Such parent's insurance benefit for each month shall be equal to one-half of a primary insurance benefit of such deceased individual, except that, if such parent is entitled to receive an insurance benefit or benefits for any month (other than a benefit under this subsection), such parent's insurance benefit for such month shall be reduced by an amount equal to the total of such other benefit or benefits for such month. When there is more than one such individual with respect to whose wages the parent is entitled to receive a parent's insurance benefit for a month, such benefit shall be equal to one-half of whichever primary insurance benefit is greatest.

(3) As used in this subsection, the term "parent" means the mother or father of an individual, a stepparent of an individual by a marriage contracted before such individual attained the age of sixteen or an adopting parent by whom an individual was adopted before he attained the age of sixteen.

Lump-Sum Death Payments

(g) Upon the death, after December 31, 1939, of an individual who died a fully or currently insured individual leaving no surviving widow, child, or parent who would, on filing application in the month in which such individual died, be entitled to a benefit for such month under subsection (c), (d), (e), or (f) of this section, an amount equal to six times a primary insurance benefit of such individual shall be paid in a lump sum to the person, if any, determined by the Administrator to be the widow or widower of the deceased and to have been living with the deceased at the time of death. If there is no such person, or if such person dies before receiving payment, then such amount shall be paid to any person or persons, equitably entitled

thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of such insured individual. No payment shall be made to any person under this subsection, unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of two years after the date of death of such insured individual.

Application

(h) An individual who would have been entitled to a benefit under subsections (a), (b), (c), (d), (e), or (f) for any month had he filed application therefor prior to the end of such month, shall be entitled to such benefit for such month if he files application therefor prior to the end of the third month immediately succeeding such month. Any benefit for a month prior to the month in which application is filed shall be reduced, to any extent that may be necessary, so that it will not render erroneous any benefit which, before the filing of such application, the Administrator has certified for payment for such prior month.

Sec. 203. (a) Whenever the total benefits under section 202, payable for a month with respect to an individual's wages, is more than \$20, and exceeds (1) \$85, or (2) an amount equal to twice a primary insurance benefit of such individual, or (3) an amount equal to 80 per centum of his average monthly wage (as defined in section 209(f)), whichever of such three amounts is least, such total of benefits shall, prior to any deductions under subsection (d), (e), or (h), be reduced to such least amount or to \$20, whichever is greater.

(b) Whenever the benefit or total of benefits under section 202, payable for a month with respect to an individual's wages, is less than \$10, such benefit or total of benefits shall, prior to any deductions under subsection (d), (e), or (h), be increased to \$10.

(c) Whenever a decrease or increase of the total benefits for a month is made under subsection (a) or (b) of this section, each benefit, except the primary benefit, shall be proportionately decreased or increased, as the case may be.

(d) Deductions, in such amounts and at such time or times as the Administrator shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits for any month in which such individual:

(1) rendered services for wages of not less than \$15; or

(2) if a widow entitled to a widow's current insurance benefit, did not have in her care a child of her deceased husband entitled to receive a child's insurance benefit.

(e) Deductions shall be made from any wife's or child's insurance benefit to which a wife or child is entitled, until the total of such deductions equals such wife's or child's insurance benefit or benefits for any month in which the individual, with respect to whose wages such benefit was payable, rendered services for wages of not less than \$15.

(f) If more than one event occurs in any one month which would occasion deductions equal to a benefit for such month, only an amount equal to such benefits shall be deducted.

(g) Any individual in receipt of benefits subject to deduction under subsection (d) or (e) (or who is in receipt of such benefits on behalf of another individual), because of the occurrence of an event enumerated therein, shall report such occurrence to the Administrator prior to the receipt and acceptance of an insurance benefit for the second month following the month in which such event occurred. Any such individual having knowledge thereof, who fails to report any such occurrence, shall suffer an additional deduction equal to that imposed under subsection (d) or (e), except that the first additional deduction imposed by this subsection in the case of any individual shall not exceed an amount equal to one month's benefit even though the failure to report is with respect to more than one month.

(h) Deductions shall also be made from any primary insurance benefit to which an individual is entitled, or from any other insurance benefit payable with respect to such individual's wages, until such deductions total the amount of any lump sum paid to such individual under section 204 of the Social Security Act in force prior to the date of enactment of the Social Security Act Amendments of 1939.³

Evidence, Procedure, and Certification for Payment

Sec. 205. * * *

(c)(1) On the basis of information obtained by or submitted to the Administrator, and after such verification thereof as he deems necessary, the Administrator shall establish and maintain records of the amounts of wages paid to each individual and of the periods in which such wages were paid and, upon request, shall inform any individual, or after his death shall inform the wife, child, or parent of such individual, of the amounts of wages of such individual and the periods of payments shown by such records at the time of such request. Such records shall be evidence, for the purpose of proceedings before the Administrator or any court, of the amounts of such wages and the periods in which they were paid and the absence of an entry as to an individual's wages in such records for any period shall be evidence that no wages were paid such individual in such period.

(2) After the expiration of the fourth calendar year following any year in which wages were paid or are alleged to have been paid an individual, the records of the Administrator as to the wages of such individuals for such year and the periods of payment shall be conclusive for the purposes of this title, except as hereafter provided.

(3) If, prior to the expiration of such fourth year, it is brought to the attention of the Administrator that any entry of such wages in such records is erroneous, or that any item of such wages has been omitted from the records, the Administrator may correct such entry or include such omitted item in his records, as the case may be. Written notice of any revision of any such entry, which is adverse to the interests of any individual, shall be given to such individual, in any case where such individual has previously been notified by the Administrator of the amount of wages and of the period of payments shown by such entry. Upon request in writing made prior to the expiration of

³ See also sec. 907 of the Social Security Act Amendments of 1939, p. 481, this volume, for certain reductions on account of unpaid taxes on wages of individuals.

such fourth year, or within sixty days thereafter, the Administrator shall afford any individual, or after his death shall afford the wife, child, or parent of such individual, reasonable notice and opportunity for hearing with respect to any entry or alleged omission of wages of such individual in such records, or any revision of any such entry. If a hearing is held, the Administrator shall make findings of fact and a decision based upon the evidence adduced at such hearing and shall revise his records as may be required by such findings and decision.

(4) After the expiration of such fourth year, the Administrator may revise any entry or include in his records any omitted item of wages to conform his records with tax returns or portions of tax returns (including information returns and other written statements) filed with the Commissioner of Internal Revenue under title VIII of the Social Security Act or the Federal Insurance Contributions Act or under regulations made under authority thereof. Notice shall be given of such revision under such conditions and to such individuals as is provided for revisions under paragraph (3) of this subsection. Upon request, notice and opportunity for hearing with respect to any such entry, omission, or revision shall be afforded under such conditions and to such individuals as is provided in paragraph (3) hereof, but no evidence shall be introduced at any such hearing except with respect to conformity of such records with such tax returns and such other data submitted under such title VIII of the Federal Insurance Contributions Act or under such regulations.

(5) Decisions of the Administrator under this subsection shall be reviewable by commencing a civil action in the district court of the United States as provided in subsection (g) hereof.

Definitions

Sec. 209. When used in this title—

(a) The term “wages”⁴ means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such terms shall not include—

(1) That part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment during any calendar year prior to 1940, is paid, prior to January 1, 1947, to such individual by such employer with respect to employment during such calendar year;

(2) That part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual with respect to employment during any calendar year after 1939, is paid to such individual, prior to January 1, 1947, with respect to employment during such calendar year;

(3) That part of the remuneration which, after remuneration equal to \$3,000 with respect to employment has been paid to an individual during any calendar year after 1946, is paid to such individual during such calendar year;

(4) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer

⁴ For definition of the term “wages” effective prior to January 1, 1940, see sec. 210(a) of the Social Security Act of 1935, p. 528, this volume.

which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (A) retirement, or (B) sickness or accident disability, or (C) medical and hospitalization expenses in connection with sickness or accident disability, or (D) death, provided the employee (i) has not the option to receive, instead of provision for such death benefit, any part of such payment or, if such death benefit is insured, any part of the premiums (or contributions to premiums) paid by his employer, and (ii) has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(5) The payment by an employer (without deduction from the remuneration of the employee) (A) of the tax imposed upon an employee under section 1400 of the Internal Revenue Code or (B) of any payment required from an employee under a State unemployment compensation law;

(6) Dismissal payments which the employer is not legally required to make; or

(7) Any remuneration paid to an individual prior to January 1, 1937.

(b) The term "employment" means any service performed after December 31, 1936, and prior to January 1, 1940, which was employment as defined in section 210(b) of the Social Security Act prior to January 1, 1940 (except service performed by an individual after he attained the age of sixty-five if performed prior to January 1, 1939), and any service, of whatever nature, performed after December 31, 1939, by an employee for the person employing him, irrespective of the citizenship or residence of either, (A) within the United States, or (B) on or in connection with an American vessel under a contract of service which is entered into within the United States or during the performance of which the vessel touches at a port in the United States, if the employee is employed on and in connection with such vessel when outside the United States, except—

(1) Agricultural labor (as defined in subsection (1) of this section);

(2) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;

(3) Casual labor not in the course of the employer's trade or business;

(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;

(5) Service performed on or in connection with a vessel not an American vessel by an employee, if the employee is employed on and in connection with such vessel when outside the United States;

(6) Service performed in the employ of the United States Government, or of an instrumentality of the United States which is (A) wholly owned by the United States, or (B) exempt from

the tax imposed by section 1410 of the Internal Revenue Code by virtue of any other provision of laws;⁵

(7) Service performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions; and any service performed in the employ of any instrumentality of one or more States or political subdivisions to the extent that the instrumentality is, with respect to such service, immune under the Constitution of the United States from the tax imposed by section 1410 of the Internal Revenue Code;

(8) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation;

(9) Service performed by an individual as an employee or employee representative as defined in section 1532 of the Internal Revenue Code;⁶

(10) (A) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 101 of the Internal Revenue Code, if—

(i) the remuneration for such service does not exceed \$45, or

(ii) such service is in connection with the collection of dues or premiums for a fraternal beneficiary society, order, or association, and is performed away from the home office, or is ritualistic service in connection with any such society, order, or association, or

(iii) such service is performed by a student who is enrolled and is regularly attending classes at a school, college, or university;

(B) Service performed in the employ of an agricultural or horticultural organization exempt from income tax under section 101(1) of the Internal Revenue Code;⁷

(C) Service performed in the employ of a voluntary employees' beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents, if (i) no part of its net earnings inures (other than through such payments) to the benefit of any private shareholder or individual, and (ii) 85 per centum or more of the income consists of amounts collected from members for the sole purpose of making such payments and meeting expenses;

⁵ Certain service in the employ of the Alien Property Custodian does not come within this exception. See sec. 36(a) of the Trading With the Enemy Act, as amended, p. 966, this volume.

⁶ For provisions for crediting railroad industry service under the Social Security Act in certain cases, see sec. 205(o), of title II of the Social Security Act.

⁷ Exemption from taxes of services described in pars. (11) and (12), which were added by the Social Security Act Amendments of 1939, was made retroactive to January 1, 1937. See sec. 902(f) of Social Security Act Amendments of 1939, p. 481, this volume.

(D) Service performed in the employ of a voluntary employees' beneficiary association providing for the payment of life, sick, accident, or other benefits to the members of such association or their dependents or their designated beneficiaries, if (i) admission to membership in such association is limited to individuals who are officers or employees of the United States Government, and (ii) no part of the net earnings of such association inures (other than through such payments) to the benefit of any private shareholder or individual;

(E) Service performed in any calendar quarter in the employ of a school, college, or university, not exempt from income tax under section 101 of the Internal Revenue Code, if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university, and the remuneration for such service does not exceed \$45 (exclusive of room, board, and tuition);

(11) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(12) Service performed in the employ of an instrumentality wholly owned by a foreign government—

(A) If the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

(B) If the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

(13) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an interne in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to State law;

(14) Service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes, and (B) service performed on or in connection with a vessel of more than ten net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States);

(15) (A) Service performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back; or

(16) Service performed in the employ of an international organization entitled to enjoy privileges, exemption, and immunities as an international organization under the International Organizations Immunities Act.

(c) If the services performed during one-half or more of any pay period by an employee for the person employing him constitute employment, all the services of such employee for such period shall be deemed to be employment; but if the services performed during more than one-half of any such pay period by an employee for the person employing him do not constitute employment, then none of the services of such employee for such period shall be deemed to be employment. As used in this subsection the term "pay period" means a period (of not more than thirty-one consecutive days) for which a payment of remuneration is ordinarily made to the employee by the person employing him. This subsection shall not be applicable with respect to services performed in a pay period by an employee for the person employing him, where any of such service is excepted by paragraph (9) of subsection (b).

(d) The term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any State.

(e) The term "primary insurance benefit" means an amount equal to the sum of the following—

(1) (A) 40 per centum of the amount of an individual's average monthly wage if such average monthly wage does not exceed \$50, or (B) if such average monthly wage exceeds \$50, 40 per centum of \$50, plus 10 per centum of the amount by which such average monthly wage exceeds \$50 and does not exceed \$250, and

(2) an amount equal to 1 per centum of the amount computed under paragraph (1) multiplied by the number of years in which \$200 or more of wages were paid to such individual. Where the primary insurance benefit thus computed is less than \$10, such benefit shall be \$10.

(f) The term "average monthly wage" means the quotient obtained by dividing the total wages paid an individual before the quarter in which he died or became entitled to receive primary insurance benefits, whichever first occurred, by three times the number of quarters elapsing after 1936 and before such quarter in which he died or became so entitled, excluding any quarter prior to the quarter in which he attained the age of twenty-two during which he was paid less than \$50

of wages and any quarter, after the quarter in which he attained age sixty-five, occurring prior to 1939.

(g) The term "fully insured individual" means any individual with respect to whom it appears to the satisfaction of the Administrator that—

(1) He had not less than one quarter of coverage for each two of the quarters elapsing after 1936, or after the quarter in which he attained the age of twenty-one, whichever quarter is later, and up to but excluding the quarter in which he attained the age of sixty-five, or died, whichever first occurred, and in no case less than six quarters of coverage; or

(2) He had at least forty quarters of coverage.

As used in this subsection, and in subsection (h) of this section, the term "quarter" and the term "calendar quarter" means a period of three calendar months ending on March 31, June 30, September 30, or December 31; and the term "quarter of coverage" means a calendar quarter in which the individual has been paid not less than \$50 in wages. When the number of quarters specified in paragraph (1) of this subsection is an odd number, for purposes of such paragraph such number shall be reduced by one. In any case where an individual has been paid in a calendar year \$3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual dies or becomes entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled.

(h) The term "currently insured individual" means any individual with respect to whom it appears to the satisfaction of the Administrator that he had not less than six quarters of coverage during the period consisting of the quarter in which he died and the twelve quarters immediately preceding such quarter.

(i) The term "wife" means the wife of an individual who either (1) is the mother of such individual's son or daughter, or (2) was married to him for a period of not less than thirty-six months immediately preceding the month in which her application is filed.

(j) The term "widow" (except when used in section 202(g)) means the surviving wife of an individual who either (1) is the mother of such individual's son or daughter, or (2) was married to him prior to the beginning of the twelfth month before the month in which he died.

(k) The term "child" means (1) the child of an individual, and (2) in the case of a living individual, a stepchild or adopted child who has been such stepchild or adopted child for thirty-six months immediately preceding the month in which application for child's benefits is filed, and (3) in the case of a deceased individual, a stepchild or adopted child who was such stepchild or adopted child for twelve months immediately preceding the month in which such individual died.

(l) The term "agricultural labor" includes all service performed—

(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the rais-

ing, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(3) In connection with the production or harvesting of maple sirup or maple sugar or any commodity defined as an agricultural commodity in section 15(g) of the Agricultural Marketing Act,³ as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the hatching of poultry, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits and vegetables, as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

As used in this subsection, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

(m) In determining whether an applicant is the wife, widow, child, or parent of a fully insured or currently insured individual for purposes of this title, the Administrator shall apply such law as would be applied in determining the devolution of intestate personal property by the courts of the State in which such insured individual is domiciled at the time such applicant files application, or, if such insured individual is dead, by the courts of the State in which he was domiciled at the time of his death, or if such insured individual is or was not so domiciled in any State, by the courts of the District of Columbia. Applicants who according to such law would have the same status relative to taking intestate personal property as a wife, widow, child, or parent shall be deemed such.

(n) A wife shall be deemed to be living with her husband if they are both members of the same household, or she is receiving regular contributions from him toward her support, or he has been ordered by

³Sec. 15(g) of the Agricultural Marketing Act defines "agricultural commodity" to include "in addition to other agricultural commodities, crude gum (oleoresin) from a living tree, and the following products as processed by the original producer of the crude gum (oleoresin) from which derived: Gum, spirits of turpentine, and gum rosin, * * *."

any court to contribute to her support; and a widow shall be deemed to have been living with her husband at the time of his death if they were both members of the same household on the date of his death, or she was receiving regular contributions from him toward her support on such date, or he had been ordered by any court to contribute to her support.

(o) (1) OFFICERS AND MEMBERS OF CREWS EMPLOYED BY WAR SHIPPING ADMINISTRATION.—The term “employment” shall include such service as is determined by the Administrator, War Shipping Administration, to be performed after September 30, 1941, and prior to the termination of title I of the First War Powers Act, 1941, on or in connection with any vessel by an officer or member of the crew as an employee of the United States employed through the War Shipping Administration or, in respect of such service performed before February 11, 1942, the United States Maritime Commission, but shall not include any such service performed (1) under a contract entered into without the United States and during the performance of which the vessel does not touch at a port in the United States, or (2) on a vessel documented under the laws of any foreign country and bareboat chartered to the War Shipping Administration.

(2) The Federal Security Administrator shall not make determinations as to whether an individual has performed services which are employment by reason of this subsection, or the periods of such services, or the amounts of remuneration for such services, or the periods in which or for which such remuneration was paid, but shall accept the determinations with respect thereto of the Administrator, War Shipping Administration, and such agents as he may designate, as evidenced by returns filed by such Administrator as an employer pursuant to section 1426(i) of the Internal Revenue Code and certifications made pursuant to this subsection. Such determinations shall be final and conclusive.

(3) The Administrator, War Shipping Administration, is authorized and directed, upon written request of the Federal Security Administrator to make certification to him with respect to any matter determinable for the Federal Security Administrator by the War Shipping Administrator under this subsection, which the Federal Security Administrator finds necessary in administering this title.

(4) This subsection shall be effective as of September 30, 1941.

(p) (1) The term “employment” shall include such service as is determined by the Bonneville Power Administrator (hereinafter called Administrator) to be performed after December 31, 1945, by a laborer, mechanic, or workman, in connection with construction work or the operation and maintenance of electrical facilities, as an employee performing service for the Administrator, but shall not include any service performed by such a laborer, mechanic, or workman to whom the Act of May 29, 1930 (46 Stat. 468), as amended, applies.

(2) The Federal Security Administrator shall not make determinations as to whether an individual has performed services which are employment by reason of this subsection, the periods of such services, the amounts of remuneration for such services which constitutes “wages” under the provisions of this section, or the periods in which

or for which such wages were paid, but shall accept the determinations with respect thereto of the Administrator, and such agents as he may designate, as evidenced by returns filed by the Administrator as an employer pursuant to section 1426(j) of the Internal Revenue Code and certifications made pursuant to this subsection. Such determination shall be final and conclusive.

(3) The Administrator is authorized and directed, upon written request of the Federal Security Administrator, to make certification to him with respect to any matter determinable for the Federal Security Administrator by the Administrator under this subsection, which the Federal Security Administrator finds necessary in administering this title.

(q) Subject to such limitation as may be prescribed by regulation, the Administrator shall determine (or upon application shall recompute) the amount of any monthly benefit as though application for such benefit (or for recomputation) had been filed in the calendar quarter in which, all other conditions of entitlement being met, an application for such benefit would have yielded the highest monthly rate of benefit. This subsection shall not authorize the payment of a benefit for any month for which no benefit would, apart from this subsection, be payable, or, in the case of recomputation of a benefit, of the recomputed benefit for any month prior to the month for which application for recomputation is filed.

(r) With respect to wages paid to an individual in the six-month periods commencing either January 1, 1937, or July 1, 1937; (A) if wages of not less than \$100 were paid in any such period, one-half of the total amount thereof shall be deemed to have been paid in each of the calendar quarters in such period; and (B) if wages of less than \$100 were paid in any such period, the total amount thereof shall be deemed to have been paid in the latter quarter of such period, except that if in any such period, the individual attained age sixty-five, all of the wages paid in such period shall be deemed to have been paid before such age was attained.

Benefits in Case of Deceased World War II Veterans

Sec. 210. (a) Any individual who has served in the active military or naval service of the United States at any time on or after September 16, 1940, and prior to the date of the termination of World War II, and who has been discharged or released therefrom under conditions other than dishonorable after active service of ninety days or more, or by reason of a disability or injury incurred or aggravated in service in line of duty, shall in the event of his death during the period of three years immediately following separation from the active military or naval service, whether his death occurs on, before, or after the date of the enactment of this section, be deemed—

(1) to have died a fully insured individual;

(2) to have an average monthly wage of not less than \$160;
and

(3) for the purposes of section 209(e)(2), to have been paid not less than \$200 of wages in each calendar year in which he had thirty days or more of active service after September 16, 1940.

This section shall not apply in the case of the death of any individual occurring (either on, before, or after the date of the enactment of this section) while he is in the active military or naval service, or in the case of the death of any individual who has been discharged or released from the active military or naval service of the United States subsequent to the expiration of four years and one day after the date of the termination of World War II.

(b) (1) If any pension or compensation is determined by the Veterans' Administration to be payable on the basis of the death of any individual referred to in subsection (a) of this section, any monthly benefits or lump-sum death payment payable under this title with respect to the wages of such individual shall be determined without regard to such subsection (a).

(2) Upon an application for benefits or a lump-sum death payment with respect to the death of any individual referred to in subsection (a), the Federal Security Administration shall make a decision without regard to paragraph (1) of this subsection unless he has been notified by the Veterans' Administration that pension or compensation is determined to be payable by the Veterans' Administration by reason of the death of such individual. The Federal Security Administrator shall notify the Veterans' Administration of any decision made by him authorizing payment, pursuant to subsection (a), of monthly benefits or of a lump-sum death payment. If the Veterans' Administration in any such case has made an adjudication or thereafter makes an adjudication that any pension or compensation is payable under any law administered by it, by reason of the death of any such individual, it shall notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment, or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection. Any payments theretofore certified by the Federal Security Administrator pursuant to subsection (a) to any individual, not exceeding the amount of any accrued pension or compensation payable to him by the Veterans' Administration, shall (notwithstanding the provisions of sec. 3 of the Act of August 12, 1935, as amended (U.S.C., 1940 edition, title 38, sec. 454(a)) be deemed to have been paid to him by the Veterans' Administration on account of such accrued pension or compensation. No such payment certified by the Federal Security Administrator, and no payment certified by him for any month prior to the first month for which any pension or compensation is paid by the Veterans' Administration, shall be deemed by reason of this subsection to have been an erroneous payment.

(c) In the event any individual referred to in subsection (a) has died during such three-year period but before the date of the enactment of this section—

(1) upon application filed within six months after the date of the enactment of this section, any monthly benefits payable with respect to the wages of such individual (including benefits for months before such date) shall be computed or recomputed and shall be paid in accordance with subsection (a), in the same manner as though such application had been filed in the first

month in which all conditions of entitlement to such benefits, other than the filing of an application, were met;

(2) if any individual who upon filing application would have been entitled to benefits or to a recomputation of benefits under paragraph (1) has died before the expiration of six months after the date of enactment of this section, the application may be filed within the same period by any other individual entitled to benefits with respect to the same wages, and the nonpayment or underpayment to the deceased individual shall be treated as erroneous within the meaning of section 204;

(3) the time within which proof of dependency under section 202(f) or any application under 202(g) may be filed shall be not less than six months after the date of the enactment of this section; and

(4) application for a lump-sum death payment or recomputation, pursuant to this section, of a lump-sum death payment certified by the Board or the Federal Security Administrator, prior to the date of the enactment of this section, for payment with respect to the wages of any such individual may be filed within a period not less than six months from the date of the enactment of this section or a period of two years after the date of the death of any individual specified in subsection (a), whichever is the later, and any additional payment shall be made to the same individual or individuals as though the application were an original application for a lump-sum death payment with respect to such wages.

No lump-sum death payment shall be made or recomputed with respect to the wages of an individual if any monthly benefit with respect to his wages is, or upon filing application would be, payable for the month in which he died; but except as otherwise specifically provided in this section no payment heretofore made shall be rendered erroneous by the enactment of this section.

(d) There are hereby authorized to be appropriated to the Trust Fund from time to time such sums as may be necessary to meet the additional cost, resulting from this section, of the benefits (including lump-sum death payments) payable under this title.

(e) For the purposes of this section the term "date of the termination of World War II" means the date proclaimed by the President as of the date of such termination, or the date specified in a concurrent resolution of the two Houses of Congress as the date of such termination, whichever is the earlier.

* * * * *

Definitions

Sec. 1101. (a) When used in this Act— * * *

(6) The term "employee" includes an officer of a corporation, but such term does not include (1) any individual who, under the usual common-law rules applicable in determining the employer-employee relationship, has the status of an independent contractor

or (2) any individual (except an officer of a corporation) who is not an employee under such common-law rules. * * *

Provisions of Title II of the Social Security Act as in Effect Prior to the 1952 Amendments to the Social Security Act

Reduction of Insurance Benefits

Maximum Benefits

Sec. 203. (a) Whenever the total of monthly benefits to which individuals are entitled under section 202 for a month on the basis of the wages and self-employment income of an insured individual exceeds \$150, or is more than \$40 and exceeds 80 per centum of his average monthly wage (as determined under subsection (b) or (c) of section 215, whichever is applicable), such total of benefits shall, after any deductions under this section, be reduced to \$150 or to 80 per centum of his average monthly wage, whichever is the lesser, but in no case to less than \$40, except that when any of such individuals so entitled would (but for the provisions of section 202(k) (2) (A)) be entitled to child's insurance benefits on the basis of the wages and self-employment income of one or more other insured individuals, such total of benefits shall, after any deductions under this section, be reduced to \$150 or to 80 per centum of the sum of the average monthly wages of all such insured individuals, whichever is the lesser, but in no case to less than \$40. Whenever a reduction is made under this subsection, each benefit, except the old-age insurance benefit, shall be proportionately decreased.

Deductions on Account of Work or Failure To Have Child in Care

(b) Deductions in such amounts and at such time or times as the Administrator shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits under section 202 for any month—

(1) in which such individual is under the age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) of more than \$50; or

(2) in which such individual is under the age of seventy-five and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than \$50; or

(3) in which such individual, if a wife under retirement age entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child of her husband entitled to a child's insurance benefit; or

(4) in which such individual, if a widow entitled to a mother's insurance benefit, did not have in her care a child of her deceased husband entitled to a child's insurance benefit; or

(5) in which such individual, if a former wife divorced entitled to a mother's insurance benefit, did not have in her care a

child, of her deceased former husband, who (A) is her son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her deceased former husband.

**Deductions From Dependents' Benefits Because of Work by
Old-Age Insurance Beneficiary**

(c) Deductions shall be made from any wife's, husband's, or child's insurance benefit to which a wife, husband, or child is entitled, until the total of such deductions equals such wife's, husband's, or child's insurance benefit or benefits under section 202 for any month—

(1) in which the individual, on the basis of whose wages and self-employment income such benefit was payable, is under the age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) of more than \$50; or

(2) in which the individual referred to in paragraph (1) is under the age of seventy-five and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than \$50.

* * * * *

Months to Which Net Earnings From Self-Employment Are Charged

(e) For the purposes of subsections (b) and (c)—

(1) If an individual's net earnings from self-employment for his taxable year are not more than the product of \$50 times the number of months in such year, no month in such year shall be charged with more than \$50 of net earnings from self-employment.

(2) If an individual's net earnings from self-employment for his taxable year are more than the product of \$50 times the number of months in such year, each month of such year shall be charged with \$50 of net earnings from self-employment, and the amount of such net earnings in excess of such product shall be further charged to months as follows: The first \$50 of such excess shall be charged to the last month of such taxable year, and the balance, if any, of such excess shall be charged at the rate of \$50 per month to each preceding month in such year until all of such balance has been applied, except that no part of such excess shall be charged to any month (A) for which such individual was not entitled to a benefit under this title, (B) in which an event described in paragraph (1), (3), (4), or (5) of subsection (b) occurred, (C) in which such individual was age seventy-five or over, or (D) in which such individual did not engage in self-employment.

(3)(A) As used in paragraph (2), the term "last month of such taxable year" means the latest month in such year to which the charging of the excess described in such paragraph is not prohibited by the application of clauses (A), (B), (C), and (D) thereof.

(B) For the purposes of clause (D) of paragraph (2), an individual will be presumed, with respect to any month, to have

been engaged in self-employment in such month until it is shown to the satisfaction of the Administrator that such individual rendered no substantial services in such month with respect to any trade or business the net income or loss of which is includible in computing his net earnings from self-employment for any taxable year. The Administrator shall by regulations prescribe the methods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

* * * * *

Report to Administrator of Net Earnings From Self-Employment

(g) (1) If an individual is entitled to any monthly insurance benefit under section 202 during any taxable year in which he has net earnings from self-employment in excess of the product of \$50 times the number of months in such year, such individual (or the individual who is in receipt of such benefit on his behalf) shall make a report to the Administrator of his net earnings from self-employment for such taxable year. Such report shall be made on or before the fifteenth day of the third month following the close of such year, and shall contain such information and be made in such manner as the Administrator may by regulations prescribe. Such report need not be made for any taxable year beginning with or after the month in which such individual attained the age of seventy-five.

(2) If an individual fails to make a report required under paragraph (1), within the time prescribed therein, of his net earnings from self-employment for any taxable year and any deduction is imposed under subsection (b) (2) by reason of such net earnings—

(A) such individual shall suffer one additional deduction in an amount equal to his benefit or benefits for the last month in such taxable year for which he was entitled to a benefit under section 202; and

(B) if the failure to make such report continues after the close of the fourth calendar month following the close of such taxable year, such individual shall suffer an additional deduction in the same amount for each month during all or any part of which such failure continues after such fourth month;

except that the number of the additional deductions required by this paragraph shall not exceed the number of months in such taxable year for which such individual received and accepted insurance benefits under section 202 and for which deductions are imposed under subsection (b) (2) by reason of such net earnings from self-employment. If more than one additional deduction would be imposed under this paragraph with respect to a failure by an individual to file a report required by paragraph (1) and such failure is the first for which any additional deduction is imposed under this paragraph, only one additional deduction shall be imposed with respect to such first failure.

(3) If the Administrator determines, on the basis of information obtained by or submitted to him, that it may reasonably be expected that an individual entitled to benefits under section 202 for any taxable year will suffer deductions imposed under subsection (b) (2) by reason

of his net earnings from self-employment for such year, the Administrator may, before the close of such taxable year, suspend the payment for each month in such year (or for only such months as the Administrator may specify) of the benefits payable on the basis of such individual's wages and self-employment income; and such suspension shall remain in effect with respect to the benefits for any month until the Administrator has determined whether or not any deduction is imposed for such month under subsection (b). The Administrator is authorized, before the close of the taxable year of an individual entitled to benefits during such year, to request of such individual that he make, at such time or times as the Administrator may specify, a declaration of his estimated net earnings from self-employment for the taxable year and that he furnish to the Administrator such other information with respect to such net earnings as the Administrator may specify. A failure by such individual to comply with any such request shall in itself constitute justification for a determination under this paragraph that it may reasonably be expected that the individual will suffer deductions imposed under subsection (b) (2) by reason of his net earnings from self-employment for such year.

* * * * *

Computation of Primary Insurance Amount

Sec. 215. For the purposes of this title—

Primary Insurance Amount

(a) (1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be 50 per centum of the first \$100 of his average monthly wage plus 15 per centum of the next \$200 of such wage; except that if his average monthly wage is less than \$50, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

I	II
Average Monthly Wage	Primary Insurance Amount
\$30 or less	\$20
\$31	\$21
\$32	\$22
\$33	\$23
\$34	\$24
\$35 to \$49	\$25
* * * * *	* * * * *

Determinations Made by Use of the Conversion Table

(c) (1) The amount referred to in paragraph (3) and clause (B) of paragraph (2) of subsection (a) for an individual shall be the amount appearing in column II of the following table on the line on which in column I appears his primary insurance benefit (determined

as provided in subsection (d)) ; and his average monthly wage shall, for purposes of section 203(a), be the amount appearing on such line in column III.

I	II	III
If the primary insurance benefit (as determined under subsection (d)) is—	The primary insurance amount shall be—	And the average monthly wage for purpose of computing maximum benefits shall be—
\$10.....	\$20.00	\$40.00
\$11.....	22.00	44.00
\$12.....	24.00	48.00
\$13.....	26.00	52.00
\$14.....	28.00	56.00
\$15.....	30.00	60.00
\$16.....	31.70	63.40
\$17.....	33.20	66.40
\$18.....	34.50	69.00
\$19.....	35.70	71.40
\$20.....	37.00	74.00
\$21.....	38.50	77.00
\$22.....	40.20	80.40
\$23.....	42.20	84.40
\$24.....	44.50	89.00
\$25.....	46.50	93.00
\$26.....	48.30	96.60
\$27.....	50.00	100.00
\$28.....	51.50	110.00
\$29.....	52.80	118.60
\$30.....	54.00	126.60
\$31.....	55.10	134.00
\$32.....	56.20	141.30
\$33.....	57.20	148.00
\$34.....	58.20	154.60
\$35.....	59.20	161.30
\$36.....	60.20	168.00
\$37.....	61.20	174.60
\$38.....	62.20	181.30
\$39.....	63.10	187.30
\$40.....	64.00	195.00
\$41.....	64.90	210.00
\$42.....	65.80	220.00
\$43.....	66.70	230.00
\$44.....	67.60	240.00
\$45.....	68.50	250.00
\$46.....	68.50	250.00

(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraph (3) and clause (B) of paragraph (2) of subsection (a) for such individual, and his average monthly wage for purposes of section 203(a), shall be determined in accordance with regulations of the Administrator designed to obtain results consistent with those obtained for individuals whose primary insurance benefits are shown in column I of the table.

* * * * *

Recomputation of Benefits

(f) * * *

(2) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203(b) have been imposed (within a period of thirty-six months) with respect to

such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage. A recomputation under this paragraph shall be made only as provided in subsection (a) (1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed.

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Voluntary Agreements for Coverage of State and Local Employees

Sec. 218. * * *

Effective Date of Agreement

(f) Any agreement or modification of an agreement under this section shall be effective with respect to services performed after an effective date specified in such agreement or modification, but in no case prior to January 1, 1951, and in no case (other than in the case of an agreement or modification agreed to prior to January 1, 1953) prior to the first day of the calendar year in which such agreement or modification, as the case may be, is agreed to by the Administrator and the State.

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Provisions of Title II of the Social Security Act as in Effect Prior to the 1954 Amendments to the Social Security Act

Sec. 202. * * *

Application for Monthly Insurance Benefits

(j) (1) An individual who would have been entitled to a benefit under subsection (a), (b), (c), (d), (e), (f), (g), or (h) for any month after August 1950 had he filed application therefor prior to the end of such month shall be entitled to such benefit for such month if he files application therefor prior to the end of the sixth month immediately succeeding such month. Any benefit for a month prior to the month in which application is filed shall be reduced, to any extent that may be necessary, so that it will not render erroneous any benefit which, before the filing of such application, the Administrator has certified for payment for such prior month.

Reduction of Insurance Benefits

Maximum Benefits

Sec. 203. (a) Whenever the total monthly benefits to which individuals are entitled under section 202 for a month on the basis of the wages and self-employment income of an insured individual exceeds \$168.75, or is more than \$45 and exceeds 80 per centum of his average

monthly wage (as determined under subsection (b) or (c) of section 215, whichever is applicable), such total of benefits shall, after any deductions under this section, be reduced to \$168.75 or to 80 per centum of his average monthly wage, whichever is the lesser, but in no case to less than \$45, except that when any of such individuals so entitled would (but for the provisions of section 202(k) (2) (A)) be entitled to child's insurance benefits on the basis of the wages and self-employment income of one or more other insured individuals, such total of benefits shall, after any deductions under this section, be reduced to \$168.75 or to 80 per centum of the sum of the average monthly wages of all such insured individuals, whichever is the lesser, but in no case to less than \$45. Whenever a reduction is made under this subsection, each benefit, except the old-age insurance benefit, shall be proportionately decreased.

Deductions on Account of Work or Failure To Have Child in Care

(b) Deductions in such amounts and at such time or times as the Administrator shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits under section 202 for any month—

(1) in which such individual is under age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) of more than \$75; or

(2) in which such individual is under the age of seventy-five and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than \$75; or

(3) in which such individual, if a wife under retirement age entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child of her husband entitled to a child's insurance benefit; or

(4) in which such individual, if a widow entitled to a mother's insurance benefit, did not have in her care a child of her deceased husband entitled to a child's insurance benefit; or

(5) in which such individual, if a former wife divorced entitled to a mother's insurance benefit, did not have in her care a child, of her deceased former husband, who (A) is her son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her deceased former husband.

Deductions From Dependent's Benefits Because of Work by Old-Age Insurance Beneficiary

(c) Deductions shall be made from any wife's, husband's, or child's insurance benefit to which a wife, husband, or child is entitled, until the total of such deductions equals such wife's husband's or child's insurance benefit or benefits under section 202 for any month—

(1) in which the individual, on the basis of whose wages and self-employment income such benefit was payable, is under the

age of seventy-five and in which he rendered services for wages (as determined under section 209 without regard to subsection (a) thereof) of more than \$75; or

(2) in which the individual referred to in paragraph (1) is under the age of seventy-five and for which month he is charged, under the provisions of subsection (e) of this section, with net earnings from self-employment of more than \$75.

Occurrence of More Than One Event

(d) If more than one of the events specified in subsections (b) and (c) occurs in any one month which would occasion deductions equal to a benefit for such month, only an amount equal to such benefit shall be deducted. The charging of net earnings from self-employment to any month shall be treated as an event occurring in the month to which such net earnings are charged.

Months to Which Net Earnings From Self-Employment Are Charged

(e) For the purposes of subsections (b) and (c)—

(1) If an individual's net earnings from self-employment for his taxable year are not more than the product of \$75 times the number of months in such year, no month in such year shall be charged with more than \$75 of net earnings from self-employment.

(2) If an individual's net earnings from self-employment for his taxable year are more than the product of \$75 times the number of months in such year, each month of such year shall be charged with \$75 of net earnings from self-employment, and the amount of such net earnings in excess of such product shall be further charged to months as follows: The first \$75 of such excess shall be charged to the last month of such taxable year, and the balance, if any, of such excess shall be charged at the rate of \$75 per month to each preceding month in such year until all of such balance has been applied, except that no part of such excess shall be charged to any month (A) for which such individual was not entitled to a benefit under this title, (B) in which an event described in paragraph (1), (3), (4), or (5) of subsection (b) occurred, (C) in which such individual was age seventy-five or over, or (D) in which such individual did not engage in self-employment.

(3) (A) As used in paragraph (2), the term "last month of such taxable year" means the latest month in such year to which the charging of the excess described in such paragraph is not prohibited by the application of clauses (A), (B), (C), and (D) thereof.

(B) For the purposes of clause (D) of paragraph (2), an individual will be presumed, with respect to any month, to have been engaged in self-employment in such month until it is shown to the satisfaction of the Administrator that such individual rendered no substantial services in such month with respect to any trade or business the net income or loss of which is includible in computing his net earnings from self-employment for any taxable year. The Administrator shall by regulations prescribe the meth-

ods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

Penalty for Failure to Report Certain Events

(f) Any individual in receipt of benefits subject to deduction under subsection (b) or (c) (or who is in receipt of such benefits on behalf of another individual), because of the occurrence of an event specified therein (other than an event described in subsection (b)(2) or (c)(2)), shall report such occurrence to the Administrator prior to the receipt and acceptance of an insurance benefit for the second month following the month in which such event occurred. Any such individual having knowledge thereof, who fails to report any such occurrence, shall suffer an additional deduction equal to that imposed under subsection (b) or (c), except that the first additional deduction imposed by this subsection in the case of any individual shall not exceed an amount equal to one month's benefit even though the failure to report is with respect to more than one month.

Report to Administrator of Net Earnings From Self-Employment

(g) (1) If an individual is entitled to any monthly insurance benefit under section 202 during any taxable year in which he has net earnings from self-employment in excess of the product of \$75 times the number of months in such year, such individual (or the individual who is in receipt of such benefit on his behalf) shall make a report to the Administrator of his net earnings from self-employment for such taxable year. Such report shall be made on or before the fifteenth day of the third month following the close of such year, and shall contain such information and be made in such manner as the Administrator may by regulations prescribe. Such report need not be made for any taxable year beginning with or after the month in which such individual attained the age of seventy-five.

(2) If an individual fails to make a report required under paragraph (1), within the time prescribed therein, of his net earnings from self-employment for any taxable year and any deduction is imposed under subsection (b)(2) by reason of such net earnings—

(A) such individual shall suffer one additional deduction in an amount equal to his benefit or benefits for the last month in such taxable year for which he was entitled to a benefit under section 202; and

(B) if the failure to make such report continues after the close of the fourth calendar month following the close of such taxable year, such individual shall suffer an additional deduction in the same amount for each month during all or any part of which such failure continues after such fourth month;

except that the number of the additional deductions required by this paragraph shall not exceed the number of months in such taxable year for which such individual received and accepted insurance benefits under section 202 and for which deductions are imposed under subsection (b)(2) by reason of such net earnings from self-employment. If more than one additional deduction would be imposed under this paragraph with respect to a failure by an individual to file a report

required by paragraph (1) and such failure is the first for which any additional deduction is imposed under this paragraph, only one additional deduction shall be imposed with respect to such first failure.

(3) If the Administrator determines, on the basis of information obtained by or submitted to him, that it may reasonably be expected that an individual entitled to benefits under section 202 for any taxable year will suffer deductions imposed under subsection (b) (2) by reason of his net earnings from self-employment for such year, the Administrator may, before the close of such taxable year, suspend the payment for each month in such year (or for only such months as the Administrator may specify) of the benefits payable on the basis of such individual's wages and self-employment income; and such suspension shall remain in effect with respect to the benefits for any month until the Administrator has determined whether or not any deduction is imposed for such month under subsection (b). The Administrator is authorized, before the close of the taxable year of an individual entitled to benefits during such year, to request of such individual that he make, at such time or times as the Administrator may specify, a declaration of his estimated net earnings from self-employment for the taxable year and that he furnish to the Administrator such other information with respect to such net earnings as the Administrator may specify. A failure by such individual to comply with any such request shall in itself constitute justification for a determination under this paragraph that it may reasonably be expected that the individual will suffer deductions imposed under subsection (b) (2) by reason of his net earnings from self-employment for such year.

Deductions With Respect to Certain Lump-Sum Payments

(i) Deductions shall also be made from any old-age insurance benefit to which an individual is entitled, or from any other insurance benefit payable on the basis of such individual's wages and self-employment income, until such deductions total the amount of any lump sum paid to such individual under section 204 of the Social Security Act in force prior to the date of enactment of the Social Security Act Amendments of 1939.

Attainment of Age Seventy-five

(j) For the purposes of this section, an individual shall be considered as seventy-five years of age during the entire month in which he attains such age.

* * * * *

Definition of Wages

Sec. 209. For the purposes of this title, the term "wages" means remuneration paid prior to 1951 which was wages for the purposes of this title under the law applicable to the payment of such remuneration, and remuneration paid after 1950 for employment, including the cash value of all remuneration paid in any medium other than cash; except that, in the case of remuneration paid after 1950, such term shall not include—

(a) That part of the remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this

section) equal to \$3,600 with respect to employment has been paid to an individual during any calendar year, is paid to such individual during such calendar year;

* * * * *

(g) (1) Remuneration paid in any medium other than cash to an employee for service not in the course of the employer's trade or business or for domestic service in a private home of the employer;

(2) Cash remuneration paid by an employer in any calendar quarter to an employee for domestic service in a private home of the employer, if the cash remuneration paid in the quarter for such service is less than \$50 or the employee is not regularly employed by the employer in such quarter of payment. For the purposes of this paragraph, an employee shall be deemed to be regularly employed by an employer during a calendar quarter only if (A) on each of some twenty-four days during the quarter the employee performs for the employer for some portion of the day domestic service in a private home of the employer, or (B) the employee was regularly employed (as determined under clause (A)) by the employer in the performance of such service during the preceding calendar quarter. As used in this paragraph, the term "domestic service in a private home of the employer" does not include service described in section 210(f) (5);

(h) Remuneration paid in any medium other than cash for agricultural labor;

* * * * *

Definition of Employment

Sec. 210. For the purposes of this title—

(a) The term "employment" means any service performed after 1936 and prior to 1951 which was employment for the purposes of this title under the law applicable to the period in which such service was performed, and any service, of whatever nature, performed after 1950 either (A) by an employee for the person employing him, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States or during the performance of which and while the employee is employed on the vessel or aircraft it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States, or (B) outside the United States by a citizen of the United States as an employee for an American employer (as defined in subsection (e)); except that, in the case of service performed after 1950, such term shall not include—

(1) (A) Agricultural labor (as defined in subsection (f) of this section) performed in any calendar quarter by an employee, unless the cash remuneration paid for such labor (other than service described in subparagraph (B)) is \$50 or more and such labor is performed for an employer by an individual who is regularly employed by such employer to perform such agricultural labor. For the purposes of this subparagraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if—

(i) such individual performs agricultural labor (other than service described in subparagraph (B)) for such employer on a full-time basis on sixty days during such quarter, and

(ii) the quarter was immediately preceded by a qualifying quarter.

For the purposes of the preceding sentence, the term "qualifying quarter" means (I) any quarter during all of which such individual was continuously employed by such employer, or (II) any subsequent quarter which meets the test of clause (i) if, after the last quarter during all of which such individual was continuously employed by such employer, each intervening quarter met the test of clause (i). Notwithstanding the preceding provisions of this subparagraph, an individual shall also be deemed to be regularly employed by an employer during a calendar quarter if such individual was regularly employed (upon application of clauses (i) and (ii)) by such employer during the preceding calendar quarter.

(B) Service performed in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15(g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton;

(C) Service performed by foreign agricultural workers under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended.

(2) Domestic service performed in a local college club, or local chapter of a college fraternity or sorority, by a student who is enrolled and is regularly attending classes at a school, college, or university;

(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is \$50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For the purposes of this paragraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if (A) on each of some twenty-four days during such quarter such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business, or (B) such individual was regularly employed (as determined under clause (A)) by such employer in the performance of such service during the preceding calendar quarter. As used in this paragraph, the term "service not in the course of the employer's trade or business" does not include domestic service in a private home of the employer and does not include service described in subsection (f) (5);

(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;

(5) Service performed by an individual on or in connection with a vessel not an American vessel, or on or in connection with an aircraft not an American aircraft, if the individual is employed on and in connection with such vessel or aircraft when outside the United States;

(6) Service performed in the employ of any instrumentality of the United States, if such instrumentality is exempt from the tax imposed by section 1410 of the Internal Revenue Code by virtue of any provision of law which specifically refers to such section in granting such exemption;

(7) (A) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is covered by a retirement system established by a law of the United States;

(B) Service performed in the employ of an instrumentality of the United States if such an instrumentality was exempt from the tax imposed by section 1410 of the Internal Revenue Code on December 31, 1950, except that the provisions of this subparagraph shall not be applicable to—

(i) service performed in the employ of a corporation which is wholly owned by the United States;

(ii) service performed in the employ of a national farm loan association, a production credit association, a Federal Reserve Bank, or a Federal Credit Union;

(iii) service performed in the employ of a State, county, or community committee under the Production and Marketing Administration; or

(iv) service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department;

(C) Service performed in the employ of the United States or in the employ of any instrumentality of the United States, if such service is performed—

(i) as the President or Vice President of the United States or as a Member, Delegate, or Resident Commissioner, of or to the Congress;

(ii) in the legislative branch;

(iii) in the field service of the Post Office Department unless performed by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is serving under a temporary appointment pending final determination of eligibility for permanent or indefinite appointment;

(iv) in or under the Bureau of the Census of the Department of Commerce by temporary employees employed for the taking of any census;

(v) by any individual as an employee who is excluded by Executive order from the operation of the Civil Service Retirement Act of 1930 because he is paid on a contract or fee basis;

(vi) by any individual as an employee receiving nominal compensation of \$12 or less per annum;

(vii) in a hospital, home, or other institution of the United States by a patient or inmate thereof;

(viii) by any individual as a consular agent appointed under authority of section 551 of the Foreign Service Act of 1946 (22 U.S.C., sec. 951);

(ix) by any individual as an employee included under section 2 of the Act of August 4, 1947 (relating to certain interns, student nurses, and other student employees of hospitals of the Federal Government; 5 U.S.C., sec. 1052);

(x) by any individual as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;

(xi) by any individual as an employee who is employed under a Federal relief program to relieve him from unemployment;

(xii) as a member of a State, county, or community committee under the Production and Marketing Administration or of any other board, council, committee, or other similar body, unless such board, council, committee, or other body is composed exclusively of individuals otherwise in the fulltime employ of the United States; or

(xiii) by an individual to whom the Civil Service Retirement Act of 1930 does not apply because such individual is subject to another retirement system;

(8) Service (other than service included under an agreement under section 218 and other than service which, under subsection (1), constitutes covered transportation service) performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions;

(9)(A) Service performed by a duly ordained, commissioned or licensed minister of a church in the exercise of his ministry, or by a member of a religious order in the exercise of duties required by such order;

(B) Service performed in the employ of a religious, charitable, educational, or other organization exempt from income tax under section 101(6) of the Internal Revenue Code, but this subparagraph shall not apply to service performed during the period for which a certificate filed pursuant to section 1426(1) of the Internal Revenue Code, is in effect if such service is performed by an employee (i) whose signature appears on the list filed by such organization under such section 1426(1), or (ii) who became an employee of such organization after the calendar quarter in which the certificate was filed;

(10) Service performed by an individual as an employee or employee representative as defined in section 1532 of the Internal Revenue Code;

(11)(A) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 101 of the Internal Revenue Code, if the remuneration for such service is less than \$50;

(B) Service performed in the employ of a school, college, or university if such service is performed by a student who is en-

rolled and is regularly attending classes at such school, college, or university;

(12) Service performed in the employ of a foreign government (including service as a consular or other officer or employee or a nondiplomatic representative);

(13) Service performed in the employ of an instrumentality wholly owned by a foreign government—

(A) If the service is of a character similar to that performed in foreign countries by employees of the United States Government or of an instrumentality thereof; and

(B) If the Secretary of State shall certify to the Secretary of the Treasury that the foreign government, with respect to whose instrumentality and employees thereof exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employees of the United States Government and of instrumentalities thereof;

(14) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an interne in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to State law;

(15) Service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed by any such individual as an ordinary incident to any such activity), except (A) service performed in connection with the catching or taking of salmon or halibut, for commercial purposes, and (B) service performed on or in connection with a vessel of more than ten net tons (determined in the manner provided for determining the register tonnage of merchant vessels under the laws of the United States);

(16) (A) Service performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(B) Service performed by an individual in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back; or

(17) Service performed in the employ of an international organization entitled to enjoy privileges, exemptions, and immu-

nities as an international organization under the International Organizations Immunities Act (59 Stat. 669).

* * * * *

Employee

(k) The term "employee" means—

(3) any individual (other than an individual who is an employee under paragraph (1) or (2) of this subsection) who performs services for remuneration for any person—

* * * * *

(C) as a home worker performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him, if the performance of such services is subject to licensing requirements under the laws of the State in which such services are performed;

* * * * *

Self-Employment

Sec. 211. For the purposes of this title—

(a) The term "net earnings from self-employment" means the gross income, as computed under Chapter 1 of the Internal Revenue Code, derived by an individual from any trade or business carried on by such individual, less the deductions allowed under such chapter which are attributable to such trade or business, plus his distributive share (whether or not distributed) of the ordinary net income or loss, as computed under section 183 of such code, from any trade or business carried on by a partnership of which he is a member; except that in computing such gross income and deductions and such distributive share of partnership ordinary net income or loss—

(1) There shall be excluded rentals from real estate (including personal property leased with the real estate) and deductions attributable thereto, unless such rentals are received in the course of a trade or business as a real estate dealer;

(2) There shall be excluded income derived from any trade or business in which, if the trade or business were carried on exclusively by employees, the major portion of the services would constitute agricultural labor as defined in section 210(f); and there shall be excluded all deductions attributable to such income;

(3) There shall be excluded dividends on any share of stock, and interest on any bond, debenture, note, or certificate, or other evidence of indebtedness, issued with interest coupons or in registered form by any corporation (including one issued by a government or political subdivision thereof), unless such dividends and interest (other than interest described in section 25(a) of the Internal Revenue Code) are received in the course of a trade or business as a dealer in stocks or securities;

(4) There shall be excluded any gain or loss (A) which is considered under chapter 1 of the Internal Revenue Code as gain

or loss from the sale or exchange of a capital asset, (B) from the cutting or disposal of timber if section 117(j) of such code is applicable to such gain or loss, or (C) from the sale, exchange, involuntary conversion, or other disposition of property if such property is neither (i) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, nor (ii) property held primarily for sale to customers in the ordinary course of the trade or business;

(5) The deduction for net operating losses provided in section 23(s) of such code shall not be allowed;

(6) (A) If any of the income derived from a trade or business (other than a trade or business carried on by a partnership) is community income under community property laws applicable to such income, all of the gross income and deductions attributable to such trade or business shall be treated as the gross income and deductions of the husband unless the wife exercises substantially all of the management and control of such trade or business, in which case all of such gross income and deductions shall be treated as the gross income and deductions of the wife;

(B) If any portion of a partner's distributive share of the ordinary net income or loss from a trade or business carried on by a partnership is community income or loss under the community property laws applicable to such share, all of such distributive share shall be included in computing the net earnings from self-employment of such partner, and no part of such share shall be taken into account in computing the net earnings from self-employment of the spouse of such partner;

(7) (A) In the case of any taxable year beginning before the effective date specified in section 219, the term "possession of the United States" when used in section 251 of the Internal Revenue Code with respect to citizens of the United States shall include Puerto Rico;

(B) In the case of any taxable year beginning on or after the effective date specified in section 219, a resident of Puerto Rico shall compute his net earnings from self-employment in the same manner as a citizen of the United States but without regard to the provisions of section 116(1) of such code.

If the taxable year of a partner is different from that of the partnership, the distributive share which he is required to include in computing his net earnings from self-employment shall be based upon the ordinary net income or loss of the partnership for any taxable year of the partnership (even though beginning prior to 1951) ending within or with his taxable year.

(b) The term "self-employment income" means the net earnings from self-employment derived by an individual (other than a non-resident alien individual) during any taxable year beginning after 1950; except that such term shall not include—

(1) That part of the net earnings from self-employment which is in excess of: (A) \$3,600, minus (B) the amount of the wages paid to such individual during the taxable year; or

(2) The net earnings from self-employment, if such net earnings for the taxable year are less than \$400.

In the case of any taxable year beginning prior to the effective date specified in section 219, an individual who is a citizen of Puerto Rico (but not otherwise a citizen of the United States) and who is not a resident of the United States during such taxable year shall be considered, for the purposes of this subsection, as a nonresident alien individual. An individual who is not a citizen of the United States but who is a resident of the Virgin Islands or (after the effective date specified in section 219) a resident of Puerto Rico shall not, for the purposes of this subsection, be considered to be a nonresident alien individual.

(c) The term "trade or business", when used with reference to self-employment income or net earnings from self-employment, shall have the same meaning as when used in section 23 of the Internal Revenue Code, except that such term shall not include—

- (1) The performance of the functions of a public office;
- (2) The performance of service by an individual as an employee (other than service described in section 210(a)(16)(B) performed by an individual who has attained the age of eighteen);
- (3) The performance of service by an individual as an employee or employee representative as defined in section 1532 of the Internal Revenue Code;
- (4) The performance of service by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or
- (5) The performance of service by an individual in the exercise of his profession as a physician, lawyer, dentist, osteopath, veterinarian, chiropractor, naturopath, optometrist, Christian Science practitioner, architect, certified public accountant, accountant registered or licensed as an accountant under State or municipal law, full-time practicing public accountant, funeral director, or professional engineer; or the performance of such service by a partnership.

* * * * *

Quarter and Quarter of Coverage

Definitions

Sec. 213. (a) For the purpose of this title—

* * * * *

(2) (A) The term "quarter of coverage" means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid \$50 or more in wages. In the case of any individual who has been paid, in a calendar year prior to 1951, \$3,000 or more in wages each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled.

(B) The term "quarter of coverage" means, in the case of a quarter occurring after 1950, a quarter in which the individual has been paid

\$50 or more in wages or for which he has been credited (as determined under section 212) with \$100 or more of self-employment income, except that—

(i) no quarter after the quarter in which such individual died shall be a quarter of coverage;

(ii) if the wages paid to any individual in a calendar year equal or exceed \$3,600, each quarter of such year shall (subject to clause (i)) be a quarter of coverage;

(iii) if an individual has self-employment income for a taxable year, and if the sum of such income and the wages paid to him during such taxable year equals \$3,600, each quarter any part of which falls in such year shall be a quarter of coverage; and

(iv) no quarter shall be counted as a quarter of coverage prior to the beginning of such quarter.

* * * * *

Sec. 214. For the purposes of this title—

Fully Insured Individual

(a) * * *

(2) In the case of any individual who did not die prior to September 1, 1950, the term "fully insured individual" means any individual who had not less than—

(A) one quarter of coverage (whether acquired before or after such day) for each two of the quarters elapsing after 1950, or after the quarter in which he attained the age of twenty-one, whichever is later, and up to but excluding the quarter in which he attained retirement age, or died, whichever first occurred, except that in no case shall an individual be a fully insured individual unless he has at least six quarters of coverage; or

(B) forty quarters of coverage.

* * * * *

Computation of Primary Insurance Amount

Sec. 215. For the purposes of this title—

(a)(1) The primary insurance amount of an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be 55⁹ per centum of the first \$100 of his average monthly wage, plus 15 per centum of the next \$200 of such wage; except that, if his average monthly wage is less than \$48, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.¹⁰

⁹ Prior to the 1952 Amendments the percentage figure "55" appearing in sec. 215(a)(1) read "50."

¹⁰ Prior to the 1952 Amendments, the material beginning with the word "except" in sec. 215(a)(1), read as follows:

"except that if his average monthly wage is less than \$50, his primary insurance amount shall be the amount appearing in column II of the following table on the line on which in column I appears his average monthly wage.

I Average Monthly Wage	II Primary Insurance Amount
\$30 or less-----	\$20
\$31-----	\$21
\$32-----	\$22
\$33-----	\$23
\$34-----	\$24
\$35 to \$49-----	\$25"

I Average Monthly Wage	II Primary Insurance Amount
\$34 or less-----	\$25
\$35 through \$47-----	\$26

(2) The primary insurance amount of an individual who attained age twenty-two prior to 1951 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage shall be whichever of the following is the larger—

(A) the amount computed as provided in paragraph (1) of this subsection; or

(B) the amount determined under subsection (c).

(3) The primary insurance amount of any other individual shall be the amount determined under subsection (c).

(b)(1) An individual's "average monthly wage" shall be the quotient obtained by dividing the total of—

(A) his wages after his starting date (determined under paragraph (2)) and prior to his wage closing date (determined under paragraph (3)), and

(B) his self-employment income after such starting date and prior to his self-employment income closing date (determined under paragraph (3)),

by the number of months elapsing after such starting date and prior to his divisor closing date (determined under paragraph (3)) excluding from such elapsed months any month in any quarter prior to the quarter in which he attained the age of twenty-two which was not a quarter of coverage, except that when the number of such elapsed months thus computed is less than eighteen, it shall be increased to eighteen.

(2) An individual's "starting date" shall be December 31, 1950, or if later, the day preceding the quarter in which he attained the age of twenty-two, whichever results in the higher average monthly wage.

(3) (A) Except to the extent provided in paragraph (D), an individual's "wage closing date" shall be the first day of the second quarter preceding the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred.

(B) Except to the extent provided in paragraph (D), an individual's "self-employment income closing date" shall be the day following the quarter in which ends his last taxable year (i) which ended before the month in which he died or became entitled to old-age insurance benefits, whichever first occurred, and (ii) during which he derived self-employment income.

(C) Except to the extent provided in paragraph (D), an individual's "divisor closing date" shall be the later of his wage closing date and his self-employment income closing date.

(D) In the case of an individual who died or became entitled to old-age insurance benefits after the first quarter in which he both was fully insured and had attained retirement age, the determination of his closing dates shall be made as though he became entitled to old-age insurance benefits in such first quarter, but only if it would result in a higher average monthly wage for such individual.

(4) Notwithstanding the preceding provisions of this subsection, in computing an individual's average monthly wage, there shall not be taken into account any self-employment income of such individual

for taxable years ending in or after the month in which he died or became entitled to old-age insurance benefits, whichever first occurred.¹¹

Determinations Made by Use of the Conversion Table

(c) (1) The amount referred to in paragraph (3) and clause (B) of paragraph (2) of subsection (a) for an individual shall be the amount appearing in column II of the following table on the line on which in column I appears his primary insurance benefit (determined as provided in subsection (d)); and his average monthly wage shall, for purposes of section 203(a), be the amount appearing on such line in column III.

(2) In case the primary insurance benefit of an individual (determined as provided in subsection (d)) falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (2) (B) and (3) of subsection (a) for such individual shall be the amount determined with respect to such benefit (under the applicable regulations in effect on May 1, 1952), increased by 12½ per centum or \$5, whichever is the larger, and further increased, if it is not then a multiple of \$0.10, to the next higher multiple of \$0.10.

I If the primary insurance benefit (as determined under subsection(d)) is—	II The primary insurance amount shall be—	III And the average monthly wage for purpose of computing maximum benefits shall be—
\$10-----	\$25.00	\$45.00
\$11-----	27.00	49.00
\$12-----	29.00	53.00
\$13-----	31.00	56.00
\$14-----	33.00	60.00
\$15-----	35.00	64.00
\$16-----	36.70	67.00
\$17-----	38.20	69.00
\$18-----	39.50	72.00
\$19-----	40.70	74.00
\$20-----	42.00	76.00
\$21-----	43.50	79.00
\$22-----	45.30	82.00
\$23-----	47.50	86.00
\$24-----	50.10	91.00
\$25-----	52.40	95.00
\$26-----	54.40	99.00
\$27-----	56.30	109.00
\$28-----	58.00	120.00
\$29-----	59.40	129.00
\$30-----	60.80	139.00
\$31-----	62.00	147.00
\$32-----	63.30	155.00
\$33-----	64.40	163.00
\$34-----	65.50	170.00
\$35-----	66.60	177.00
\$36-----	67.80	185.00
\$37-----	68.90	193.00
\$38-----	70.00	200.00
\$39-----	71.00	207.00
\$40-----	72.00	213.00
\$41-----	73.10	221.00
\$42-----	74.10	227.00
\$43-----	75.10	234.00
\$44-----	76.10	241.00
\$45-----	77.10	250.00
\$46-----	77.10	250.00

¹¹ A special wage closing date in certain cases of death or entitlement to old-age insurance benefits in 1952 was provided for by sec. 6(c) of the 1952 Amendments.

(3) For the purpose of facilitating the use of the conversion table in computing any insurance benefit under section 202, the Administrator is authorized to assume that the primary insurance benefit from which such benefit under section 202 is determined is one cent or two cents more or less than its actual amount.

(4) For purposes of section 203(a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon application of the provisions of subsection (a)(1) of this section and without the application of subsection (e)(2) or (g) of this section; except that, if such sum is not a multiple of \$1, it shall be rounded to the nearest multiple of \$1.

* * * * *

Certain Wages and Self-Employment Income Not To Be Counted

(e) For the purposes of subsection (b) and (d)(4)—

(1) in computing an individual's average monthly wage there shall not be counted, in the case of any calendar year after 1950, the excess over \$3,600 of (A) the wages paid to him in such year, plus (B) the self-employment income credited to such year (as determined under section 212); and

* * * * *

Recomputation of Benefits

(f)(1) * * *

(2)(A) Upon application by an individual entitled to old-age insurance benefits, the Administrator shall recompute his primary insurance amount if application therefor is filed after the twelfth month for which deductions under paragraph (1) or (2) of section 203(b) have been imposed (within a period of thirty-six months) with respect to such benefit, not taking into account any month prior to September 1950 or prior to the earliest month for which the last previous computation of his primary insurance amount was effective, and if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed such application are quarters of coverage.

(B) Upon application by an individual who, in or before the month of filing of such application, attained the age of 75 and who is entitled to old-age insurance benefits for which the primary insurance amount was computed under subsection (a)(3) of this section, the Administrator shall recompute his primary insurance amount if not less than six of the quarters elapsing after 1950 and prior to the quarter in which he filed application for such recomputation are quarters of coverage.

(C) A recomputation under subparagraphs (A) and (B) of this paragraph shall be made only as provided in subsection (a)(1) and shall take into account only such wages and self-employment income as would be taken into account under subsection (b) if the month in which application for recomputation is filed were deemed to be the month in which the individual became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the month in which such application for recomputation is filed.

(3)(A) Upon application by an individual entitled to old-age insurance benefits, filed at least six months after the month in which he became so entitled, the Administrator shall recompute his primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section for computation of such amount except that his closing dates for purposes of subsection (b) shall be deemed to be the first day of the quarter in which he became entitled to old-age insurance benefits. Such recomputation shall be effective for and after the first month in which he became entitled to old-age insurance benefits.

(B) Upon application by a person entitled to monthly benefits on the basis of the wages and self-employment income of an individual who died after August 1950, the Administrator shall recompute such individual's primary insurance amount if such application is filed at least six months after the month in which such individual died or became entitled to old-age insurance benefits, whichever first occurred. Such recomputation shall be made in the manner provided in the preceding subsections of this section for computation of such amount except that his closing dates for purposes of subsection (b) shall be deemed to be the first day of the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred. Such recomputation shall be effective for and after the month in which such person who filed the application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph shall affect the amount of the lump-sum death payment under subsection (i) of section 202 and no such recomputation shall render erroneous any such payment certified by the Administrator prior to the effective date of the recomputation.

(4) Upon the death after August 1950 of an individual entitled to old-age insurance benefits, if any person is entitled to monthly benefits, or to a lump-sum payment, on the basis of the wages and self-employment income of such individual, the Administrator shall recompute the decedent's primary insurance amount, but (except as provided in paragraph (3)(B)) only if—

(A) the decedent would have been entitled to a recomputation under paragraph (2) if he had filed application therefore in the month in which he died; or

(B) the decedent during his lifetime was paid compensation which is treated, under section 205(o), as remuneration for employment.

If the recomputation is permitted by subparagraph (A), the recomputation shall be made (if at all) as though he had filed application for a recomputation under paragraph (2) in the month in which he died, except that such recomputation shall include any compensation (described in section 205(o)) paid to him prior to the divisor closing date which would have been applicable under such paragraph. If recomputation is permitted by subparagraph (B), the recomputation shall take into account only the wages and self-employment income which were taken into account in the last previous computation of this primary insurance amount and the compensation (described in section 205(o)) paid to him prior to the divisor closing date applicable to such computation. If both of the preceding sentences are applicable

to an individual, only the recomputation which results in the larger primary insurance amount shall be made.

* * * * *

Voluntary Agreements for Coverage of State and Local Employees

Sec. 218. * * *

Services Covered

(c) (1) An agreement under this section shall be applicable to any one or more coverage groups designated by the State.

* * * * *

(3) Such agreement shall, if the State requests it, exclude (in the case of any coverage group) any services of an emergency nature or all services in any class or classes of elective positions, part-time positions, or positions the compensation for which is on a fee basis.

Exclusion of Positions Covered by Retirement Systems

(d) No agreement with any State may be made applicable (either in the original agreement or by any modification thereof) to any service performed by employees as members of any coverage group in positions covered by a retirement system on the date such agreement is made applicable to such coverage group.

* * * * *

Effective Date of Agreement

(f) Any agreement or modification of an agreement under this section shall be effective with respect to services performed after an effective date specified in such agreement or modification, but in no case prior to January 1, 1951, and in no case (other than in the case of an agreement or modification agreed to prior to January 1, 1954) prior to the first day of the calendar year in which such agreement or modification, as the case may be, is agreed to by the Administrator and the State.

* * * * *

Provisions of Title II of the Social Security Act as in Effect Prior to the 1956 Amendments to the Social Security Act

Federal Old-Age and Survivors Insurance Trust Fund

Section 201. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the "Federal Old-Age and Survivors Insurance Trust Fund" (hereinafter in this title called the "Trust Fund"). The Trust Fund shall consist of the securities held by the Secretary of the Treasury for the Old-Age Reserve Account and the amount standing to the credit of the Old-Age Reserve Account on the books of the Treasury on January 1, 1940, which securities and amount the Secretary of the Treasury is authorized and directed to transfer to the Trust Fund, and, in addition such amounts as may be appropriated to, or deposited in, the Trust Fund as hereinafter provided. There is hereby appropriated to the

Trust Fund for the fiscal year ending June 30, 1941, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

(1) the taxes (including interest, penalties, and additions to the taxes) received under subchapter A of chapter 9 of the Internal Revenue Code of 1939 (and covered into the Treasury) which are deposited into the Treasury by directors of internal revenue before January 1, 1951; and

(2) the taxes certified each month by the Commissioner of Internal Revenue as taxes received under subchapter A of chapter 9 of such code which are deposited into the Treasury by directors of internal revenue after December 31, 1950, and before January 1, 1953, with respect to assessments of such taxes made before January 1, 1951; and

(3) the taxes imposed by subchapter A of chapter 9 of such code with respect to wages (as defined in section 1426 of such code), and by chapter 21 of the Internal Revenue Code of 1954 with respect to wages (as defined in section 3121 of such code) reported to the Commissioner of Internal Revenue pursuant to section 1420(c) of the Internal Revenue Code of 1939 after December 31, 1950, or pursuant to sections 6011(a), 6071, 6801(a), 6091(a), 6302(b) of the Internal Revenue Code of 1954 after December 31, 1954, as determined by the Secretary of the Treasury by applying the applicable rates of tax under such subchapter or chapter 1 to such wages, which wages shall be certified by the Secretary of Health, Education, and Welfare on the basis of the records of wages established and maintained by such Secretary in accordance with such reports; and

(4) the taxes imposed by subchapter E of chapter 1 of the Internal Revenue Code of 1939, with respect to self-employment income (as defined in section 481 of such code), and by chapter 2 of the Internal Revenue Code of 1954 with respect to self-employment income (as defined in section 1402 of such code) reported to the Commissioner of Internal Revenue on tax returns under such subchapter or chapter, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such subchapter or chapter to such self-employment income, which self-employment income shall be certified by the Secretary of Health, Education, and Welfare on the basis of the records of self-employment income established and maintained by the Secretary of Health, Education, and Welfare in accordance with such returns.

The amounts appropriated by clauses (3) and (4) shall be transferred from time to time from the general fund in the Treasury to the Trust Fund on the basis of estimates by the Secretary of the Treasury of the taxes, referred to in clauses (3) and (4), paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the amounts of the taxes referred to in such clauses.

(b) There is hereby created a body to be known as the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund (hereinafter in this title called the "Board of Trustees") which Board of Trustees shall be composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and

Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this title called the "Managing Trustee"). The Commissioner of Social Security shall serve as Secretary of the Board of Trustees. It shall be the duty of the Board of Trustees to—

(1) Hold the Trust Fund;

(2) Report to the Congress not later than the first day of March of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the next ensuing five fiscal years;

(3) Report immediately to the Congress whenever the Board of Trustees is of the opinion that during the ensuing five fiscal years the Trust Fund will exceed three times the highest annual expenditures anticipated during that five-fiscal-year period, and whenever the Board of Trustees is of the opinion that the amount of the Trust Fund is unduly small; and,

(4) Recommend improvements in administrative procedures and policies designed to effectuate the proper coordination of the old-age and survivor's insurance and Federal-State unemployment compensation program.

The report provided for in paragraph (2) above shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected future income to, and disbursements to be made from, the Trust Fund during each of the next ensuing five fiscal years, and a statement of the actuarial status of the Trust Fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(c) It shall be the duty of the Managing Trustee to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Trust Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all interest-bearing obligations of the United States then forming a part of the Public Debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such special obligations shall be issued only if the Managing Trustee determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(d) Any obligations acquired by the Trust Fund (except special obligations issued exclusively to the Trust Fund) may be sold by the Managing Trustee at the market price, and such special obligations may be redeemed at par plus accrued interest.

(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(f) (1) The Managing Trustee is directed to pay from the Trust Fund into the Treasury the amount estimated by him and the Secretary of Health, Education, and Welfare which will be expended during a three-month period by the Department of Health, Education, and Welfare and the Treasury Department for the administration of titles II and VIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code of 1939, and chapters 2 and 21 of the Internal Revenue Code of 1954. Such payments shall be covered into the Treasury as repayments to the account for reimbursement of expenses incurred in connection with the administration of titles II and VIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code of 1939, and chapters 2 and 21 of the Internal Revenue Code of 1954.

(2) The Managing Trustee is directed to pay from time to time from the Trust Fund into the Treasury the amount estimated by him as taxes which are subject to refund under section 1401(d) of the Internal Revenue Code of 1939 with respect to wages (as defined in section 1426 of such code) paid after December 31, 1950 and prior to January 1, 1955, and under section 6413(c) of the Internal Revenue Code of 1954 with respect to wages as defined in section 3121 of such Code, paid after December 31, 1954. Such taxes shall be determined on the basis of the records of wages established and maintained by the Secretary of Health, Education, and Welfare in accordance with the wages reported to the Commissioner of Internal Revenue pursuant to section 1420(c) of the Internal Revenue Code of 1939 and sections 6011(a), 6071, 6081(a), 6091(a), and 6302(b) of the Internal Revenue Code of 1954, and the Secretary shall furnish the Managing Trustee such information as may be required by the Trustee for such purpose. The payments by the Managing Trustee shall be covered into the Treasury as repayments to the account for refunding internal revenue collections.

(3) Repayments made under paragraph (1) or (2) shall not be available for expenditures but shall be carried to the surplus fund of the Treasury. If it subsequently appears that the estimates under either such paragraph in any particular period were too high or too low, appropriate adjustments shall be made by the Managing Trustee in future payments.

(g) All amounts credited to the Trust Fund shall be available for making payments required under this title.

Old-Age and Survivors Insurance Benefit Payments

Sec. 202. * * *

Wife's Insurance Benefits

(b) (1) The wife (as defined in section 216(b)) of an individual entitled to old-age insurance benefits, if such wife—

* * * * *

(D) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than one-half of an old-age insurance benefit of her husband,

shall be entitled to a wife's insurance benefit for each month, beginning with the first month after August 1950 in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: she dies, her husband dies, they are divorced a vinculo matrimonii, no child of her husband is entitled to a child's insurance benefit and she has not attained retirement age, or she becomes entitled to an old-age insurance benefit equal to or exceeding one-half of an old-age insurance benefit of her husband.

(2) Such wife's insurance benefit for each month shall be equal to one-half of the old-age insurance benefit of her husband for such month.

Husband's Insurance Benefits

(c)(1) The husband (as defined in section 216(f)) of a currently insured individual (as defined in section 214(b)) entitled to old-age insurance benefits, if such husband—

* * * * *

(D) was receiving at least one-half of his support, as determined in accordance with regulations prescribed by the Secretary, from such individual at the time she became entitled to old-age insurance benefits and filed proof of such support within two years after the month in which she becomes so entitled, and

(E) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than one-half of an old-age insurance benefit of his wife,

shall be entitled to a husband's insurance benefit for each month, beginning with the first month after August 1950 in which he becomes so entitled to such insurance benefits and ending with the month preceding the month in which any of the following occurs: he dies, his wife dies, they are divorced a vinculo matrimonii, or he becomes entitled to an old-age insurance benefit equal to or exceeding one-half of an old-age insurance benefit of his wife.

(2) Such husband's insurance benefit for each month shall be equal to one-half of the old-age insurance benefit of his wife for such month.

Child's Insurance Benefits

(d)(1) Every child (as defined in section 216(e)) of an individual entitled to old-age insurance benefits, or of an individual who died a fully or currently insured individual after 1939, if such child—

(A) has filed application for child's insurance benefits,

(B) at the time such application was filed was unmarried and had not attained the age of eighteen, and

(C) was dependent upon such individual at the time such application was filed, or, if such individual has died, was dependent upon such individual at the time of such individual's death, shall be entitled to a child's insurance benefit for each month, beginning with the first month after August 1950 in which such child becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: such child dies, marries, is adopted (except for adoption by a stepparent, grandparent, aunt, or uncle subsequent to the death of such fully or currently insured individual), or attains the age of eighteen.

(2) Such child's insurance benefit for each month shall, if the individual on the basis of whose wages and self-employment income the child is entitled to such benefit has not died prior to the end of such month, be equal to one-half of the old-age insurance benefit of such individual for such month. Such child's insurance benefit for each month shall, if such individual has died in or prior to such month, be equal to three-fourths of the primary insurance amount of such individual, except that, if there is more than one child entitled to benefits on the basis of such individual's wages and self-employment income, each such child's insurance benefit for such month shall be equal to the sum of (A) one-half of the primary insurance amount of such individual, and (B) one-fourth of such primary insurance amount divided by the number of such children.

* * * * *

Lump-Sum Death Payments

(i) Upon the death, after August 1950, of an individual who died a fully or currently insured individual, an amount equal to three times such individual's primary insurance amount, or an amount equal to \$255, whichever is the smaller, shall be paid in a lump sum to the person, if any, determined by the Secretary to be the widow or widower of the deceased and to have been living with the deceased at the time of death. If there is no such person, or if such person dies before receiving payment, then such amount shall be paid to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of such insured individual. No payments shall be made to any person under this subsection unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of two years after the date of death of such insured individual, or unless such person was entitled to wife's or husband's insurance benefits, on the basis of the wages and self-employment income of such insured individual, for the month preceding the month in which such individual died. In the case of any individual who died outside the forty-eight States and the District of Columbia after December 1953 and before April 1956, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the provisions of the preceding sentence shall not prevent payment to any person under the second sentence of this subsection if application for a lump-sum death payment with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

* * * * *

Simultaneous Entitlement to Benefits

(k) * * *

(3) If an individual is entitled to an old-age insurance benefit for any month and to any other monthly insurance benefit for such month, such other insurance benefit for such month shall be reduced (after

any reduction under section 203(a)) by an amount equal to such old-age insurance benefit.

* * * * *

Deductions on Account of Work or Failure To Have Child in Care

Sec. 203. * * *

(b) Deductions, in such amounts and at such time or times as the Secretary shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits under section 202 of any month—

* * * * *

(3) in which such individual, if a wife under retirement age entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child of her husband entitled to a child's insurance benefits; or

* * * * *

Circumstances Under Which Deductions Not Required

(h) Deductions by reason of subsection (b), (f), or (g) shall, notwithstanding the provisions of such subsection, be made from the benefits to which an individual is entitled only to the extent that they reduce the total amount which would otherwise be paid, on the basis of the same wages and self-employment income, to him and the other individuals living in the same household.

* * * * *

Evidence, Procedure, and Certification for Payment

Sec. 205. * * *

(b) The Secretary is directed to make findings of fact, and decisions as to the rights of any individual applying for payment under this title. Whenever requested by any such individual or whenever requested by a wife, widow, former wife divorced, husband, widower, child, or parent who makes a showing in writing that his or her rights may be prejudiced by any decision the Secretary has rendered, he shall give such applicant and such other individual reasonable notice and opportunity for a hearing with respect to such decision, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing, affirm, modify, or reverse his finding of fact and such decision. The Secretary is further authorized, on his own motion, to hold such hearings and to conduct such investigations and other proceedings as he may deem necessary or proper for the administration of this title. In the course of any hearing, investigation, or other proceeding, he may administer oaths and affirmations, examine witnesses, and receive evidence. Evidence may be received at any hearing before the Secretary even though inadmissible under rules of evidence applicable to court procedure.

(c) (1) For the purposes of this subsection—

* * * * *

(B) The term "time limitation" means a period of three years, two months, and fifteen days.

* * * * *

(5) After the expiration of the time limitation following any year in which wages were paid or alleged to have been paid to, or self-employment income was derived or alleged to have been derived by, an individual, the Secretary may change or delete any entry with respect to wages or self-employment income in his records of such year for such individual or include in his records of such year for such individual any omitted item of wages or self-employment income but only—

* * * * *

(F) to conform his records to tax returns or portions thereof (including information returns and other written statements) filed with the Commissioner of Internal Revenue under title VIII of the Social Security Act, under subchapter E of chapter 1 or subchapter A of chapter 9 of the Internal Revenue Code of 1939, or chapters 2 and 21 of the Internal Revenue Code of 1954 or under regulations made under authority of such title or subchapter or chapter, and to information returns filed by a State pursuant to an agreement under section 218 or regulations of the Secretary thereunder; except that no amount of self-employment income of an individual for any taxable year (if such return or statement was filed after the expiration of the time limitation following the taxable year) shall be included in the Secretary's records pursuant to this subparagraph in excess of the amount which has been deleted pursuant to this subparagraph as payments erroneously included in such records as wages paid to such individual in such taxable year;

* * * * *

Definition of Wages

Sec. 209. For the purposes of this title, the term "wages" means remuneration paid prior to 1951 which was wages for the purposes of this title under the law applicable to the payment of such remuneration, and remuneration paid after 1950 for employment, including the cash value of all remuneration paid in any medium other than cash; except that, in the case of remuneration paid after 1950, such term shall not include—

* * * * *

(h) (2) Cash remuneration paid by any employer in any calendar year to an employee for agricultural labor, if the cash remuneration paid in such year by the employer to the employee for such labor is less than \$100;

* * * * *

Self-Employment

Sec. 211. For the purposes of this title—

Net Earnings From Self-Employment

(a) The term "net earnings from self-employment" means the gross income, as computed under Subtitle A of the Internal Revenue Code of 1954, derived by an individual from any trade or business carried on by such individual, less the deductions allowed under such subtitle which are attributable to such trade or business, plus his distributive share (whether or not distributed) of income or loss described in section 702(a)(9) of the Internal Revenue Code of 1954, from any trade or business carried on by a partnership of which he is a member; except that in computing such gross income and deductions and such distributive share of partnership ordinary income or loss—

(1) There shall be excluded rentals from real estate and from personal property leased with the real estate (including such rentals paid in crop shares), together with the deductions attributable thereto, unless such rentals are received in the course of a trade or business as a real estate dealer;

* * * * *

(7) An individual who is—

(A) a duly ordained, commissioned, or licensed minister of a church or a member of a religious order; and

(B) a citizen of the United States performing service described in subsection (c)(4) as an employee of an American employer (as defined in section 210(e))

shall compute his net earnings from self-employment derived from the performance of service described in subsection (c)(4) without regard to section 911 (relating to earned income from sources without the United States) and section 931 (relating to income from sources within possessions of the United States) of the Internal Revenue Code of 1954.

If the taxable year of a partner is different from that of the partnership, the distributive share which he is required to include in computing his net earnings from self-employment shall be based upon the ordinary net income or loss of the partnership for any taxable year of the partnership (even though beginning prior to 1951) ending within or with his taxable year. In the case of any trade or business which is carried on by an individual who reports his income on a cash receipts and disbursements basis, and in which, if it were carried on exclusively by employees, the major portion of the services would constitute agricultural labor as defined in section 210(f), (i) if the gross income derived from such trade or business by such individual is not more than \$1,800, the net earnings from self-employment derived by him therefrom may, at his option, be deemed to be 50 per centum of such gross income in lieu of his net earnings from self-employment from such trade or business computed as provided under the preceding provisions of this subsection, or (ii) if the gross income derived from such trade or business by such individual is more than \$1,800 and the net earnings from self-employment derived by him therefrom, as computed under the preceding provisions of this subsection, are less than \$900,

such net earnings may instead, at the option of such individual, be deemed to be \$900. For the purpose of the preceding sentence, gross income derived from such trade or business shall mean the gross receipts from such trade or business reduced by the cost or other basis of property which was purchased and sold in carrying on such trade or business, adjusted (after such reduction) in accordance with the preceding provisions of this subsection.

* * * * *

Trade or Business

(c) The term "trade or business", when used with reference to self-employment income or net earnings from self-employment, shall have the same meaning as when used in section 162 of the Internal Revenue Code of 1954, except that such term shall not include—

* * * * *

(2) The performance of service by an individual as an employee (other than service described in section 210 (a) (14) (B) performed by an individual who has attained the age of eighteen and other than service described in paragraph (4) of this subsection) :

* * * * *

(5) The performance of service by an individual in the exercise of his profession as a physician, lawyer, dentist, osteopath, veterinarian, chiropractor, naturopath, optometrist, or Christian Science practitioner; or the performance of such service by a partnership.

* * * * *

Insured Status for Purposes of Old-Age and Survivors Insurance Benefits

Sec. 214. For the purposes of this title—

(a) * * *

(3) In the case of any individual who did not die prior to January 1, 1955, the term "fully insured individual" means any individual who meets the requirements of paragraph (2) and, in addition, any individual with respect to whom all of the quarters elapsing after 1954 and prior to (i) July 1, 1956, or (ii) if later, the quarter in which he attained retirement age or died, whichever first occurred, are quarters¹² but only if there are not fewer than six of such quarters so elapsing.

* * * * *

Computation of Primary Insurance Amount

Sec. 215. For the purposes of this title— * * *

(b) * * *

(1) An individual's "average monthly wage" shall be the quotient obtained by dividing the total of his wages and self-employment income after his starting date (determined under paragraph (2)) and

¹² The words "of coverage" were inadvertently omitted after the word "quarters" in the printing of the statute, Public Law 761, 83d Cong.

prior to his closing date (determined under paragraph (3)), by the number of months elapsing after such starting date and prior to such closing date, excluding from such elapsed months any month in any year prior to the year in which he attained the age of twenty-two if less than two quarters of such prior year were quarters of coverage, and any month in any quarter any part of which was included in a period of disability (as defined in section 216(i)) unless such quarter was a quarter of coverage, except that when the number of such elapsed months thus computed (including a computation after the application of paragraph (4)) is less than eighteen, it shall be increased to eighteen.

* * * * *

(4) In the case of any individual, the Secretary shall determine the four or fewer full calendar years after his starting date and prior to his closing date which, if the months of such years and his wages and self-employment income for such years were excluded in computing his average monthly wage, would produce the highest primary insurance amount. Such months and such wages and self-employment income shall be excluded for purposes of computing such individual's average monthly wage. The maximum number of calendar years determined under the first sentence of this paragraph shall be five instead of four in the case of any individual who has not less than twenty quarters of coverage.

* * * * *

(d) * * *

(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted.

* * * * *

Certain Wages and Self-Employment Income Not To Be Counted

(e) For the purposes of subsections (b) and (d) (4)—

* * * * *

(4) in computing an individual's average monthly wage, there shall not be taken into account (A) any wages paid such individual in any quarter any part of which was included in a period of disability unless such quarter was a quarter of coverage, or (B) any self-employment income of such individual for any taxable year all of which was included in a period of disability.

* * * * *

Other Definitions

Sec. 216. For the purposes of this title—

Retirement Age

(a) The term "retirement age" means age sixty-five.

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Disability ; Period of Disability

(i) * * *

(2) The term "period of disability" means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period shall begin as to any individual unless such individual, while under a disability, files an application for a disability determination with respect to such period; and no such period shall begin as to any individual after such individual attains retirement age. Except as provided in paragraph (4), a period of disability shall begin—

(A) if the individual satisfies the requirements of paragraph

(3) on such day,

(i) on the day the disability began, or

(ii) on the first day of the one-year period which ends with the day before the day on which the individual files such application,

whichever occurs later;

(B) if such individual does not satisfy the requirements of paragraph (3) on the day referred to in subparagraph (A), then on the first day of the first quarter thereafter in which he satisfies such requirements.

A period of disability shall end with the close of the last day of the first month in which either the disability ceases or the individual attains retirement age. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for purposes of this paragraph, and no such application which is filed prior to January 1, 1955, shall be accepted.

Benefits in Case of Veterans

Sec. 217. * * *

(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of wages and self-employment income of any veteran (as defined in paragraph (4)), and for purposes of section 216(i) (3), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of \$160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to April 1, 1956. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or

naval service of such veteran on or after July 25, 1947, and prior to April 1, 1956, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by \$0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based. The provisions of clause (B) shall also not apply for purposes of section 216(i) (3).

(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Secretary of Health, Education, and Welfare shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to April 1, 1956, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Secretary of Health, Education, and Welfare shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Secretary of Health, Education, and Welfare, and the Secretary shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to April 1, 1956, shall, at the request of the Secretary of Health, Education, and Welfare, certify to him, with respect to any veteran, such information as the Secretary deems necessary to carry out his functions under paragraph (2) of this subsection.

(4) For the purposes of this subsection, the term "veteran" means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to April 1, 1956, and who, if discharged, or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense.

Voluntary Agreements for Coverage of State and Local Employees

Failure to Make Payments

Sec. 218. * * *

(j) In case any State does not make, at the time or times due, the payments provided for under an agreement pursuant to this section, there shall be added, as part of the amounts due, interest at the rate of 6 per centum per annum from the date due until paid, and the Secretary of Health, Education, and Welfare may, in his discretion, deduct such amounts plus interest from any amounts certified by him to the Secretary of the Treasury for payment to such State under any other provision of this Act. Amounts so deducted shall be deemed to have been paid to the State under such other provision of this Act. Amounts equal to the amounts deducted under this subsection are hereby appropriated to the Trust Fund.

* * * * *

Disability Determinations

Sec. 221. * * *

(e) Each State which has an agreement with the Secretary under this section shall be entitled to receive from the Trust Fund, in advance or by way of reimbursement, as may be mutually agreed upon, the cost to the State of carrying out the agreement under this section. The Secretary shall from time to time certify such amount as is necessary for this purpose to the Managing Trustee, reduced or increased, as the case may be, by any sum (for which adjustment hereunder has not previously been made) by which the amount certified for any prior period was greater or less than the amount which should have been paid to the State under this subsection for such period; and the Managing Trustee, prior to audit or settlement by the General Accounting Office, shall make payment from the Trust Fund at the time or times fixed by the Secretary, in accordance with such certification.

(f) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned to the Treasury of the United States for deposit in the Trust Fund.

* * * * *

Referral for Rehabilitation Services

Sec. 222. It is hereby declared to be the policy of the Congress in enacting the preceding section that disabled individuals applying for a determination of disability shall be promptly referred to the State agency or agencies administering or supervising the administration of the State plan approved under the Vocational Rehabilitation Act for necessary vocational rehabilitation services, to the end that the maximum number of disabled individuals may be restored to productive activity.

Provisions of Title II of the Social Security Act as in Effect Prior to the 1957 Amendments to the Social Security Act

Sec. 202. * * *

Wife's Insurance Benefits

(b) (1) The wife (as defined in section 216(b)) of an individual entitled to old-age insurance benefits, if such wife—

* * * *

(C) was living with such individual at the time such application was filed, and

* * * *

Child's Insurance Benefits

(d) (1) * * *

(C) was dependent upon such individual at the time such application was filed, or, if such individual has died, was dependent upon such individual at the time of such individual's death,

* * * *

Widow's Insurance Benefits

(e) (1) The widow (as defined in section 216(c)) of an individual who died a fully insured individual after 1939, if such widow—

* * * *

(D) was living with such individual at the time of his death, and

* * * *

Mother's Insurance Benefits

(g) (1) The widow and every former wife divorced (as defined in section 216(d)) of an individual who died a fully or currently insured individual after 1939, if such widow or former wife divorced—

* * * *

(F) (i) in the case of a widow, was living with such individual at the time of his death, or (ii) in the case of a former wife divorced, was receiving from such individual (pursuant to agreement or court order) at least one-half of her support at the time of his death, and the child referred to in clause (E) is her son, daughter, or legally adopted child and the benefits referred to in such clause are payable on the basis of such individual's wages and self-employment income,

* * * *

Self-Employment

Sec. 211. For the purposes of this title—

(a) * * *

(7) An individual who is—

(A) a duly ordained, commissioned, or licensed minister of a church or a member of a religious order; and

(B) a citizen of the United States performing service described in subsection (c) (4) as an employee of an American employer (as defined in section 210(e)) or as a minister in a foreign country who has a congregation which is composed predominantly of citizens of the United States,

shall compute his net earnings from self-employment derived from the performance of service described in subsection (c) (4) without regard to section 911 (relating to earned income from sources without the United States) and section 931 (relating to income from sources within possession of the United States) of the Internal Revenue Code of 1954.

* * * * *

Sec. 216. * * *

Determination of Family Status

(h) (1) In determining whether an applicant is the wife, husband, widow, widower, child, or parent of a fully insured or currently insured individual for purposes of this title, the Secretary shall apply such law as would be applied in determining the devolution of intestate personal property by the courts of the State in which such insured individual is domiciled at the time such applicant files application, or, if such insured individual is dead, by the courts of the State in which he was domiciled at the time of his death, or if such insured individual is or was not so domiciled in any State, by the courts of the District of Columbia. Applicants who according to such law would have the same status relative to taking intestate personal property as a wife, husband, widow, widower, child, or parent shall be deemed such.

(2) A wife shall be deemed to be living with her husband if they are both members of the same household, or she is receiving regular contributions from him toward her support, or he has been ordered by any court to contribute to her support; and a widow shall be deemed to have been living with her husband at the time of his death if they were both members of the same household on the date of his death, or she was receiving regular contributions from him toward her support on such date, or he had been ordered by any court to contribute to her support.

(3) A husband shall be deemed to be living with his wife if they are both members of the same household, or he is receiving regular contributions from her toward his support, or she has been ordered by any court to contribute to his support; and a widower shall be deemed to have been living with his wife at the time of her death if they were both members of the same household on the date of her death, or he was receiving regular contributions from her toward his support on such date, or she had been ordered by any court to contribute to his support.

Disability: Period of Disability

(i) * * *

(4) If an individual files an application for a disability determination after December 1954, and before July 1957, with respect to a disability which began before July 1956, and continued without

interruption until such application was filed, then the beginning day for the period of disability, if such individual does not die prior to July 1, 1955, shall be—

(A) the day such disability began, but only if he satisfies the requirements of paragraph (3) on such day;

(B) if he does not satisfy such requirements on such day, the first day of the first quarter thereafter in which he satisfies such requirements.

* * * * *

Sec. 218. * * *

Effective Date of Agreement

(f) Any agreement or modification of an agreement under this section shall be effective with respect to services performed after an effective date specified in such agreement or modification; except that—

* * * * *

(3) in the case of an agreement or modification agreed to during 1954 or after 1957, such date may not be earlier than the last day of the calendar year preceding the year in which such agreement or modification, as the case may be, is agreed to by the Secretary of Health, Education, and Welfare and the State.

Provisions of Title II of the Social Security Act as in Effect Prior to the 1958 Amendments to the Social Security Act

Payment to States

Sec. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1956,¹³ (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds \$60¹⁴—

(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$30¹⁵ multiplied by the total number of such individuals who received old-age assistance in the form of money payments for such month; plus

(B) one-half of the amount by which such expenditures exceeded the maximum which may be counted under clause (A); and (2) in the case of Puerto Rico and the Virgin Islands, an amount,

¹³ In the 1956 Amendments, under Part V, sec. 341 made certain changes in the Federal matching formula and sec. 345 stated that these changes "shall be effective for the period beginning October 1, 1956, and ending with the close of June 30, 1959, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this part had not been enacted." See also footnote 14, below.

¹⁴ Sec. 341 of the 1956 Amendments substituted "\$60" and "\$30" for "\$55" and "\$25" respectively in sec. 3(a) (1), effective October 1, 1956. See also footnote 13, above.

This subsection had previously been amended in 1946. In 1948, and again in 1952 when amendments were enacted for a two-year period that was extended by the 1954 Amendments for an additional two years ending September 30, 1956. Prior to the 1946 changes, States were entitled to one-half of their old-age assistance expenditures up to a maximum Federal payment of \$20 for each case.

¹⁵ See footnote 14, above.

which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds \$30, and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of old-age assistance to help them attain self-care, and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of \$6 multiplied by the total number of individuals who received old-age assistance under the State plan for such month.¹⁶

* * * * *

Sec. 202 * * *

Husband's Insurance Benefits

(c) (1) The husband (as defined in section 216(f)) of a currently insured individual (as defined in section 214(b)) entitled to old-age insurance benefits, if such husband—

* * * * *

(C) was receiving at least one-half of his support, as determined in accordance with regulations prescribed by the Secretary, from such individual at the time she became entitled to old-age insurance benefits and filed proof of such support within two years after the month in which she became so entitled, and ¹⁷

* * * * *

Child's Insurance Benefits

(d) (1) Every child (as defined in section 216(e)) of an individual entitled to old-age insurance benefits, or of an individual who died a fully or currently insured individual after 1939, if such child—

(A) has filed application for child's insurance benefits,

(B) at the time such application was filed was unmarried and either (i) had not attained the age of eighteen, or (ii) was under a disability (as defined in section 223(c)) which began before he attained the age of eighteen, and

(C) was dependent upon such individual at the time such application was filed, or, if such individual has died, was dependent upon such individual at the time of such individual's death,

¹⁶ Clause (4) was added by sec. 301(c) of the 1956 Amendments, effective July 1, 1957.

Pursuant to sec. 9 of the Act of April 19, 1950 (64 Stat. 44, 47), the Secretary of the Treasury must also pay to States, in addition to the amounts provided by sec. 3(a) of the Social Security Act, an amount equal to 80 percent of the State share of expenditures under the State plan with respect to Navajo and Hopi Indians.

See also sec. 1108 for a limitation on the amounts which may be certified for payment to Puerto Rico and the Virgin Islands for any fiscal year.

¹⁷ For special provisions of the 1954 Amendments as to proof of support under this subsec., see sec. 118 of the Act of September 1, 1954.

shall be entitled to a child's insurance benefit for each month, beginning with the first month after August 1950 in which such child becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: such child dies, marries, is adopted (except for adoption by a stepparent, grandparent, aunt, or uncle subsequent to the death of such fully or currently insured individual), attains the age of eighteen and is not under a disability (as defined in section 223(c)) which began before he attained such age, or ceases to be under a disability (as so defined) on or after the day on which he attains age eighteen.

* * * * *

(3) A child who has not attained the age of eighteen shall be deemed dependent upon his father or adopting father at the time specified in paragraph (1)(C) unless, at such time, such individual was not living with or contributing to the support of such child and—

(A) such child is neither the legitimate nor adopted child of such individual, or

(B) such child had been adopted by some other individual, or

(C) such child was living with and was receiving more than one-half of his support from his stepfather.

(4) A child who has not attained the age of eighteen shall be deemed dependent upon his stepfather at the time specified in paragraph (1)(C) if, at such time, the child was living with or was receiving at least one-half of his support from such stepfather.

(5) A child who has not attained the age of eighteen shall be deemed dependent upon his natural or adopting mother at the time specified in paragraph (1)(C) if such mother or adopting mother was a currently insured individual. A child who has not attained the age of eighteen shall also be deemed dependent upon his natural or adopting mother, or upon his stepmother, at the time specified in paragraph (1)(C) if, at such time, (A) she was living with or contributing to the support of such child, and (B) either (i) such child was neither living with nor receiving contributions from his father or adopting father, or (ii) such child was receiving at least one-half of his support from her.

(6) A child who has attained the age of eighteen and who is under a disability (as defined in section 223(c)) which began before he attained the age of eighteen shall be deemed dependent upon his natural or adopting father, his natural or adopting mother, his stepfather, or his stepmother at the time specified in paragraph (1)(C) if the child—

(A) was or would, upon filing an application therefor, have been entitled to a child's insurance benefit on the basis of the wages and self-employment income of such father, mother, stepfather, or stepmother for any month before the month in which he attained the age of eighteen, or

(B) was, at the time specified in paragraph (1)(C), receiving at least one-half of his support from such father, mother, stepfather, or stepmother.

* * * * *

Widow's Insurance Benefits

(e) * * *

(3) In the case of any widow of an individual—

(A) who marries another individual, and

(B) whose marriage to the individual referred to in subparagraph (A) is terminated by his death but she is not his widow (as defined in section 216(c)),

the marriage to the individual referred to in clause (A) shall, for purposes of paragraph (1), be deemed not to have occurred. No benefits shall be payable under this subsection by reason of the preceding sentence for any month prior to whichever of the following is the latest: (i) the month in which the death referred to in subparagraph (B) of the preceding sentence occurs, (ii) the twelfth month before the month in which such widow files application for purposes of this paragraph, or (iii) November 1956.

* * * * *

Widower's Insurance Benefits

(f) (1) * * *

(D) (i) was receiving at least one-half of his support, as determined in accordance with regulations prescribed by the Secretary, from such individual at the time of her death and filed proof of such support within two years of such date of death, or (ii) was receiving at least one-half of his support, as determined in accordance with regulations prescribed by the Secretary, from such individual, and she was a currently insured individual, at the time she became entitled to old-age insurance benefits and filed proof of such support within two years after the month in which she became so entitled, and

* * * * *

Mother's Insurance Benefits

(g) * * *

(3) In the case of any widow or former wife divorced of an individual—

(A) who marries another individual, and

(B) whose marriage to the individual referred to in subparagraph (A) is terminated by his death but she is not his widow as defined in section 216(c),

the marriage to the individual referred to in clause (A) shall, for the purpose of paragraph (1), be deemed not to have occurred. No benefits shall be payable under this subsection by reason of the preceding sentence for any month prior to whichever of the following is the latest: (i) the month in which the death referred to in subparagraph (B) of the preceding sentence occurs, (ii) the twelfth month before the month in which such widow or former wife divorced files application for purposes of this paragraph, or (iii) the month following the month in which this paragraph is enacted.

Parent's Insurance Benefits

(h) (1) Every parent (as defined in this subsection) of an individual who died a fully insured individual after 1939, if such individual did not leave a widow who meets the conditions in subsection

(e) (1) (D), a widower who meets the conditions in subsection (f) (1) (D) and (E), an unmarried child under the age of eighteen deemed dependent on such individual under subsection (d) (3), (4), or (5), or an unmarried child who has attained the age of eighteen and is under a disability (as defined in section 223(c)) which began before he attained such age and who is deemed dependent on such individual under subsection (d) (6), and if such parent—

* * * * *

(B) was receiving at least one-half of his support from such individual at the time of such individual's death and filed proof of such support within two years of such date of death,

* * * * *

Minimum Survivor's or Dependent's Benefit

(m) In any case in which the benefit of any individual for any month under this section (other than subsection (a)) is, prior to reduction under subsection (k) (3) and subsection (q), less than \$30 and no other individual is (without the application of section 202 (j) (1)) entitled to a benefit under this section for such month on the basis of the same wages and self-employment income, such benefit for such month shall, prior to reduction under such subsection (k) (3) and subsection (q), be increased to \$30.

* * * * *

Reduction of Insurance Benefits

Maximum Benefits

Sec. 203. (a) Whenever the total of monthly benefits to which individuals are entitled under section 202 for a month on the basis of the wages and self-employment income of an insured individual is more than \$50 and exceeds (1) 80 per centum of his average monthly wage, or (2) one and one-half times his primary insurance amount, whichever is the greater, such total of benefits shall, after any deductions under this section, after any deductions under section 222(b), and after any reduction under section 224, be reduced to 80 per centum of his average monthly wage or to one and one-half times his primary insurance amount, whichever is the greater, but in no case to less than \$50; except that when any of such individuals so entitled would (but for the provisions of section 202(k) (2) (A)) be entitled to child's insurance benefits on the basis of the wages and self-employment income of one or more other insured individuals, such total of benefits, after any deductions under this section, after any deductions under section 222(b), and after any reduction under section 224, shall not be reduced to less than 80 per centum of the sum of the average monthly wages of all such insured individuals. In any case in which the total of the benefits referred to in the preceding sentence, after reduction (if any) thereunder, is more than \$200 such total shall, notwithstanding the provisions of such sentence, be reduced to \$200. Whenever a reduction is made under this subsection, each benefit except the old-age insurance benefits, shall be proportionately decreased.

* * * * *

Deductions From Dependents' Benefits Because of Work by Old-Age Insurance Beneficiary

(c) Deductions shall be made from any wife's husband's, or child's insurance benefits to which a wife, husband, or child is entitled, until the total of such deductions equals such wife's, husband's, or child's insurance benefit or benefits under section 202 for any month—

(1) in which the individual, on the basis of whose wages and self-employment income such benefit was payable, is under the age of seventy-two and for which month he is charged with any earnings under the provisions of subsection (e) of this section; or

(2) in which the individual referred to in paragraph (1) is under the age of seventy-two and on seven or more different calendar days of which he engaged in noncovered remunerative activity outside the United States.

* * * * *

Months to Which Earnings Are Charged

(e) For the purposes of subsections (b) and (c)—

* * * * *

(2) If an individual's earnings for a taxable year of twelve months are in excess of \$1,200, the amount of his earnings in excess of \$1,200 shall be charged to months as follows: The first \$80 of such excess shall be charged to the last month of such taxable year, and the balance, if any, of such excess shall be charged at the rate of \$80 per month to each preceding month in such year to which such charging is not prohibited by the last sentence of this paragraph, until all of such balance has been applied. If an individual's earnings for a taxable year of less than twelve months are more than the product of \$100 times the number of months in such year, the amount of such earnings in excess of such product shall be charged to months as follows: The first \$80 of such excess shall be charged to the last month of such taxable year, and the balance, if any, shall be charged at the rate of \$80 per month to each preceding month in such year to which such charging is not prohibited by the last sentence of this paragraph, until all of such balance has been applied. Notwithstanding the preceding provisions of this paragraph, no part of the excess referred to in such provisions shall be charged to any month (A) for which the individual whose earnings are involved was not entitled to a benefit under this title, (B) in which an event described in paragraph (2), (3), (4), or (5) of subsection (b) occurred, (C) in which such individual was age seventy-two or over, or (D) in which such individual did not engage in self-employment and did not render services for wages (determined as provided in paragraph (4) of this subsection) of more than \$80.

(3) (A) As in paragraph (2), the term "last month of such taxable year" means the latest month in such year to which the charging of the excess described in such paragraph is not prohibited by the application of clauses (A), (B), (C), and (D) thereof.

(B) For purposes of clause (D) of paragraph (2)—

(i) An individual will be presumed, with respect to any month, to have been engaged in self-employment in such month until it is shown to the satisfaction of the Secretary that such individual rendered no substantial services in such month with respect to any trade or business the net income or loss of which is includible in computing (as provided in paragraph (4) of this subsection) his net earnings or net loss from self-employment for any taxable year. The Secretary shall by regulations prescribe the methods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

(ii) An individual will be presumed, with respect to any month, to have rendered services for wages (determined as provided in paragraph (4) of this subsection) of more than \$80 until it is shown to the satisfaction of the Secretary that such individual did not render such services in such month for more than such amount.

* * * * *

Circumstances Under Which Deductions and Reductions Not Required

(h) In the case of any individual—

(1) deductions by reason of the provisions of subsection (b), (f), or (g) of this section, or the provisions of section 222(b), shall, notwithstanding such provisions, be made from the benefits to which such individual is entitled, and

(2) any reduction by reason of the provisions of section 224 shall, notwithstanding the provisions of such section, be made with respect to the benefits to which such individual is entitled, only to the extent that such deductions and reduction reduce the total amount which would otherwise be paid, on the basis of the same wages and self-employment income, to such individual and the other individuals living in the same household.

* * * * *

Representation of Claimants Before the Secretary

Sec. 206. The Secretary may prescribe rules and regulations governing the recognition of agents or other persons, other than attorneys as hereinafter provided, representing claimants before the Secretary, and may require of such agents or other persons, before being recognized as representatives of claimants that they shall show that they are of good character and in good repute, possessed of the necessary qualifications to enable them to render such claimant valuable service and otherwise competent to advise and assist such claimants in the presentation of their cases. An attorney in good standing who is admitted to practice before the highest court of the State, Territory, District, or insular possession of his residence or before the Supreme Court of the United States or the inferior Federal courts, shall be entitled to represent claimants before the Secretary upon filing with

the Secretary a certificate of his right to so practice from the presiding judge or clerk of any such court. The Secretary may, after due notice and opportunity for hearing, suspend or prohibit from further practice before him any such person, agent, or attorney who refuses to comply with the Secretary's rules and regulations or who violates any provision of this section for which a penalty is prescribed. The Secretary may, by rule and regulation, prescribe the maximum fees which may be charged for services performed in connection with any claim before the Secretary under this title, and any agreement in violation of such rules and regulations shall be void. Any person who shall, with intent to defraud, in any manner willfully and knowingly deceive, mislead, or threaten any claimant or prospective claimant or beneficiary under this title by word, circular, letter, or advertisement, or who shall knowingly charge or collect directly or indirectly any fee in excess of the maximum fee, or make any agreement directly or indirectly to charge or collect any fee in excess of the maximum fee, prescribed by the Secretary shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall for each offense be punished by a fine not exceeding \$500 or by imprisonment not exceeding one year, or both.

* * * * *

Penalties

Sec. 208. Whoever, for the purpose of causing an increase in any payment authorized to be made under this title, or for the purpose of causing any payment to be made where no payment is authorized under this title, shall make or cause to be made any false statement or representation (including any false statement or representation in connection with any matter arising under subchapter E of chapter 1 or subchapter A or E of chapter 9 of the Internal Revenue Code of 1939, or chapter 2, or 21, or subtitle F of the Internal Revenue Code of 1954) as to the amount of any wages paid or received or the period during which earned or paid, or as to the amount of net earnings from self-employment derived or the period during which derived or whoever makes or causes to be made any false statement of a material fact in any application for any payment under this title, or whoever makes or causes to be made any false statement, representation, affidavit, or document in connection with such an application, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

* * * * *

Definition of Employment

Sec. 210. For the purposes of this title—

(a) The term employment * * * shall not include—

(1) (A) Service performed in connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15(g) of the Agricultural Marketing Act, as amended;

(B) service performed by foreign agricultural workers (i) under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended, or (ii) lawfully admitted to the United States from the Bahamas, Jamaica, and other British West Indies, or from any foreign country or possession thereof, on a temporary basis to perform agricultural labor;

* * * * *

Sec. 215. For the purposes of this title—

(a)(1) The primary insurance amount of any individual (i) who does not become eligible for benefits under section 202(a) until after August 1954, or who dies after such month and without becoming eligible for benefits under such section 202(a), and (ii) with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage, and the primary insurance amount of any individual with respect to whom not less than six of the quarters elapsing after June 30, 1953, are quarters of coverage, shall be whichever of the following amounts is the larger:

(A) Fifty-five per centum of the first \$110 of his average monthly wage, plus 20 per centum of the next \$240; or

(B) The amount determined under subsection (c).

An individual shall, for purposes of this paragraph, be deemed eligible for benefits under section 202(a) for any month if he was or would have been, upon filing application therefor in such month, entitled to such benefits for such month.

(2) The primary insurance amount of any other individual shall be the amount determined under subsection (c).

(3) Notwithstanding paragraph (1) and (2), in the case of any individual who in the month before the month in which he becomes entitled to old-age insurance benefits or dies, whichever first occurs, was entitled to a disability insurance benefit, his primary insurance amount shall be the amount computed as provided in this section (without regard to this paragraph) or his disability insurance benefit for such earlier month, whichever is the larger.

* * * * *

(c)(1) Except as provided in paragraph (2) of this subsection, the amount referred to in paragraphs (1) (B) and (2) of subsection (a) for an individual shall be either the amount appearing in column III of the following table on the line on which in column I appears his primary insurance benefit (as determined under subsection (d)), or the amount appearing in column III of the following table on the line on which in column II appears his primary insurance amount (determined as provided in subsection (d)), whichever produces the higher amount; and his average monthly wage shall, for purposes of section 203(a), be the amount appearing in column IV on the line on which, in column III, appears such higher amount.

I If the primary insurance benefit (as determined under subsection (d)) is—	II Or the primary insurance amount (as determined under subsection (d)) is—	III The amount referred to in paragraphs (1)(B) and (2) of subsection (a) shall be—	IV And the average monthly wage for purposes of computing maximum benefits shall be—
\$10.....	\$25.00	\$30.00	\$55.00
\$11.....	27.00	32.00	58.00
\$12.....	29.00	34.00	62.00
\$13.....	31.00	36.00	65.00
\$14.....	33.00	38.00	69.00
\$15.....	35.00	40.00	73.00
\$16.....	36.70	41.70	76.00
\$17.....	38.20	43.20	79.00
\$18.....	39.50	44.50	81.00
\$19.....	40.70	45.70	83.00
\$20.....	42.00	47.00	85.00
\$21.....	43.50	48.50	88.00
\$22.....	45.30	50.30	91.00
\$23.....	47.50	52.50	95.00
\$24.....	50.10	55.10	100.00
\$25.....	52.40	57.40	104.00
\$26.....	54.50	59.40	108.00
\$27.....	56.30	61.30	114.00
\$28.....	58.00	63.00	123.00
\$29.....	59.40	64.40	130.00
\$30.....	60.80	66.30	139.00
\$31.....	62.00	67.90	147.00
\$32.....	63.30	69.50	155.00
\$33.....	64.40	71.10	163.00
\$34.....	65.50	72.50	170.00
\$35.....	66.60	73.90	177.00
\$36.....	67.80	75.50	185.00
\$37.....	68.90	77.10	193.00
\$38.....	70.00	78.50	200.00
\$39.....	71.00	79.90	207.00
\$40.....	72.00	81.10	213.00
\$41.....	73.10	82.70	221.00
\$42.....	74.10	83.90	227.00
\$43.....	75.10	85.30	234.00
\$44.....	76.10	86.70	241.00
\$45.....	77.10	88.50	250.00
\$46.....	77.10	88.50	250.00
	77.20	88.50	250.00
	77.30	88.50	250.00
	77.40	88.50	250.00
	77.50	88.50	250.00
	78.00	89.10	253.00
	79.00	90.50	260.00
	80.10	91.90	267.00
	81.00	93.10	273.00
	82.00	94.50	280.00
	83.10	95.90	287.00
	84.00	97.10	293.00
	85.00	98.50	300.00

(2) (A) In case the primary insurance benefit (determined as provided in subsection (d)) of an individual falls between the amounts on any two consecutive lines in column I of the table, the amount referred to in paragraphs (1) (b) and (2) of subsection (a) for such individual shall be the amount determined (i) by applying the formula in subsection (a) (1) to the average monthly wage which would be determined for such individual under paragraph (4) of this subsection as in effect prior to the enactment of the Social Security Amendments of 1954, (ii) by increasing the amount determined under clause (i), if it is not a multiple of \$0.10, to the next higher multiple of \$0.10, and (iii) by further increasing such amount to the extent, if any, it is less than \$5 greater than the primary insurance amount which would be determined for him by use of his primary insurance benefit under paragraph (2) of this subsection as in

effect prior to the enactment of the Social Security Amendments of 1954.

(b) ¹⁸ In case the primary insurance amount (determined under subsection (d)) of an individual falls between the amounts on any two consecutive lines in column II of the table, the amount referred to in paragraphs (1) (B) and (2) of subsection (a) for such individual shall be the amount determined under subparagraph (A) of this paragraph for an individual whose primary insurance benefit would (under paragraph (2) of this subsection as in effect prior to the enactment of the Social Security Amendments of 1954) produce such primary insurance amount; except that, if there is no primary insurance benefit which would (under such paragraph (2)) produce such primary insurance amount or if such primary insurance amount is higher than \$77.10, the amount referred to in paragraphs (1) (B) and (2) of subsection (a) for such individual shall be the amount determined (i) by applying the formula in subsection (a) (1) to the average monthly wage from which such primary insurance amount was determined, (ii) by increasing the amount determined under clause (i), if it is not a multiple of \$0.10, to the next higher multiple of \$0.10, and (iii) by further increasing such amount to the extent, if any, it is less than \$5 greater than such primary insurance amount.

(C) If the provisions of subparagraphs (A) and (B) of this paragraph are both applicable to an individual, the amount referred to in paragraphs (1) (B) and (2) of subsection (a) for such individual shall be the larger of the amounts determined under such subparagraphs.

(3) For the purpose of facilitating the use of the conversion table in computing any insurance benefit under section 202, the Secretary is authorized to assume that the primary insurance benefit from which such benefit under section 202 is determined is one cent or two cents more or less than its actual amount.

(4) For purposes of section 203 (a), the average monthly wage of an individual whose primary insurance amount is determined under paragraph (2) of this subsection shall be a sum equal to the average monthly wage which would result in such primary insurance amount upon the application of the provisions of subsection (a) (1) (A) of this section and without the application of subsection (e) (2) or (g) of this section; except that, if such sum is not a multiple of \$1, it shall be rounded to the nearest multiple of \$1 (or to the next higher multiple of \$1 if it is a multiple of \$0.50).

* * * * *

Primary Insurance Benefit and Primary Insurance Amount for Purposes of Conversion Table

(d) For the purposes of subsection (c), the primary insurance benefits and the primary insurance amounts of individuals shall be determined as follows:

(1) In the case of any individual who was entitled to a primary insurance benefit for August 1950, his primary insurance

¹⁸ "(b)" appeared in law through error. It should have been "(B)".

benefit shall, except as provided in paragraph (2), be the primary insurance benefit to which he was so entitled.

(2) In the case of any individual to whom paragraph (1) is applicable and who is a World War II veteran or in August 1950 rendered services for wages of \$15 or more, his primary insurance benefit shall be whichever of the following is larger: (A) the primary insurance benefit to which he was entitled for August 1950, or (B) his primary insurance benefit for August 1950 recomputed, under section 209(q) of the Social Security Act as in effect prior to the enactment of this section, in the same manner as if such individual had filed application for and was entitled to a recomputation for August 1950, except that in making such recomputation section 217(a) shall be applicable if such individual is a World War II veteran.

(3) In the case of any individual who died prior to September 1950, his primary insurance benefit shall be determined as provided in this title as in effect prior to the enactment of this section, except that section 217(a) shall be applicable, in lieu of section 210 of this Act as in effect prior to the enactment of this section, but only if it results in a larger primary insurance benefit.

(4) In the case of any other individual (except an individual who attained age twenty-two after 1950 and with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage), his primary insurance benefit shall be computed as provided in this title as in effect prior to the enactment of this section, except that—

(A) In the computation of such benefit, such individual's average monthly wage shall (in lieu of being determined under section 209(f) of such title as in effect prior to the enactment of this section) be determined as provided in subsection (b) of this section, except that his starting date shall be December 31, 1936.

(B) For purposes of such computation, the date he became entitled to old-age insurance benefits shall be deemed to be the date he became entitled to primary insurance benefits.

(C) The 1 per centum addition provided for in section 209(e) (2) of this Act as in effect prior to the enactment of this section shall be applicable only with respect to calendar years prior to 1951.

(D) The provisions of subsection (e) shall be applicable to such computation.

(5) In the case of any individual to whom paragraph (1), (2), or (4) of this subsection is applicable, his primary insurance benefit shall be computed as provided therein except that, for purposes of paragraphs (1) and (2) and subparagraph (C) of paragraph (4), all quarters, in any year prior to 1951 any part of which was included in a period of disability, shall be excluded from the elapsed quarters and any wages paid in such year shall not be counted. Notwithstanding the preceding sentence, the quarters in the year in which a period of disability began shall not be excluded from the elapsed quarters and the wages paid in

such year shall be counted if the inclusion of such quarters and the counting of such wages result in a higher primary insurance amount.

(6) The primary insurance amount of any individual shall be computed as provided in this section as in effect prior to the enactment of this paragraph, except that the amendments made by sections 102(b) (other than paragraph (2) thereof), 104, and 106 of the Social Security Amendments of 1954 relating, respectively, to increase in benefit amounts, increase in earnings counted, and periods of disability shall, to the extent provided by such sections, be applicable to such computation.

* * * * *

Rounding of Benefits

(g) The amount of any primary insurance amount and the amount of any monthly benefit computed under section 202 or 223 which (after reduction under sections 203(a) and 224) is not a multiple of \$0.10 shall be raised to the next higher multiple of \$0.10.

* * * * *

Other Definitions

Sec. 216. For the purposes of this title—* * *

Child

(e) The term "child" means (1) the child of an individual, and (2) in the case of a living individual, a stepchild or adopted child who has been such stepchild or adopted child for not less than three years immediately preceding the day on which application for child's benefits is filed, and (3) in the case of a deceased individual, (A) an adopted child, or (B) a stepchild who has been such stepchild for not less than one year immediately preceding the day on which such individual died. In determining whether an adopted child has met the length of time requirements in clause (2), time spent in the relationship of stepchild shall be counted as time spent in the relationship of adopted child.

* * * * *

Determination of Family Status

(h) (3) For purposes of section 202(i), a widow shall be deemed to have been living with her husband at the time of his death if they were both members of the same household on the date of his death, or she was receiving regular contributions from him toward her support on such date, or he had been ordered by any court to contribute to her support; a widower shall be deemed to have been living with his wife at the time of her death if they were both members of the same household at the time of her death, or he was receiving regular contributions from her toward his support on such date, or she had been ordered by any court to contribute to his support.

* * * * *

Disability: Period of Disability

(i) * * *

(2) The term "period of disability" means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period shall begin as to any individual unless such individual, while under a disability, files an application for a disability determination with respect to such period; and no such period shall begin as to any individual after such individual attains the age of sixty-five. Except as provided in paragraph (4) a period of disability shall begin—

(A) if the individual satisfies the requirements of paragraph (3) on such day,

(i) on the day the disability began, or

(ii) on the first day of the one-year period which ends with the day before the day on which the individual files such application,

which occurs later;

(B) if such individual does not satisfy the requirements of paragraph (3) on the day referred to in subparagraph (A), then on the first day of the first quarter thereafter in which he satisfies such requirements.

A period of disability shall end with the close of the last day of the first month in which either the disability ceases or the individual attains the age of sixty-five. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for purposes of this paragraph, and no such application which is filed prior to January 1, 1955, shall be accepted.

(3) The requirements referred to in clauses (A) and (B) of paragraphs (2) and (4) are satisfied by an individual with respect to any quarter only if he had not less than—

(A) six quarters of coverage (as defined in section 213(a)(2) during the thirteen-quarter period which ends with such quarter; and

(B) twenty quarters of coverage during the forty-quarter period which ends with such quarter, not counting as part of the thirteen-quarter period specified in clause (A), or the forty-quarter period specified in clause (B), any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage.

(4) If an individual files an application for a disability determination after December 1954, and before July 1958, with respect to a disability which began before July 1957, and continued without interruption until such application was filed, then the beginning day for the period of disability, if such individual does not die prior to July 1, 1955, shall be—

(A) the day such disability began, but only if he satisfies the requirements of paragraph (3) on such day;

(B) if he does not satisfy such requirements on such day, the first day of the first quarter thereafter in which he satisfies such requirements.

* * * * *

Benefits in Case of Veterans

Sec. 217. * * *

(g) (1) There are hereby authorized to be appropriated to the Trust Fund annually, as benefits under this title are paid after June 1956, such sums as the Secretary of Health, Education, and Welfare determines to be necessary to meet the additional costs, resulting from subsections (a), (b), and (e), of such benefits (including lump-sum death payments).

(2) The Secretary shall, before October 1, 1958, determine the amount which would place the Trust Fund in the same position in which it would have been at the close of June 30, 1956, if section 210 of this Act, as in effect prior to the Social Security Act Amendments of 1950, and section 217 of this Act (including amendments thereof), had not been enacted. There are hereby authorized to be appropriated to the Trust Fund annually, during the first ten fiscal years beginning after such determination is made, sums aggregating the amount so determined, plus interest accruing on such amount (as reduced by appropriations made pursuant to this paragraph) for each fiscal year beginning after June 30, 1956, at a rate for such fiscal year equal to the average rate of interest (as determined by the Managing Trustee) earned on the invested assets of the Trust Fund during the preceding fiscal year.

Voluntary Agreements for Coverage of State and Local Employees

Sec. 218. (d) * * *

(6) If a retirement system covers positions of employees of the State and positions of employees of one or more political subdivisions of the State, or covers positions of employees of two or more political subdivisions of the State, then, for purposes of the preceding paragraphs of this subsection, there shall, if the State so desires, be deemed to be a separate retirement system with respect to any one or more of the political subdivisions concerned and, where the retirement system covers positions of employees of the State, a separate retirement system with respect to the State or with respect to the State and any one or more of the political subdivisions concerned. If a retirement system covers positions of employees of one or more institutions of higher learning, then, for purposes of such preceding paragraphs there shall, if the State so desires, be deemed to be a separate retirement system for the employees of each such institution of higher learning. For the purposes of this paragraph, the term "institutions of higher learning" includes junior colleges and teachers' colleges. For the purposes of this subsection, any retirement system established by the State of California, Connecticut, Florida, Georgia, Massachusetts, Minnesota, New York, North Dakota, Pennsylvania, Rhode Island, Tennessee, Vermont, Washington, Wisconsin, or the Territory of

Hawaii, or any political subdivision of any such State or Territory, which, on, before, or after the date of enactment of this sentence, is divided into two divisions or parts, one of which is composed of positions of members of such system who desire coverage under an agreement under this section and the other of which is composed of positions of members of such systems who do not desire such coverage, shall, if the State or Territory so desires and if it is provided that there shall be included in such division or part composed of members desiring such coverage the positions of individuals who become members of such system after such coverage is extended, be deemed to be a separate retirement system with respect to each such division or part. The position of any individual which is covered by any retirement system to which the preceding sentence is applicable shall, if such individual is ineligible to become a member of such system on the date of enactment of such sentence or, if later, the day he first occupies such position, be deemed to be covered by the separate retirement system consisting of the positions of members of the division or part who do not desire coverage under the insurance system established under this title. In the case of any retirement system divided pursuant to the fourth sentence of this paragraph, the position of any member of the division or part composed of positions of members who do not desire coverage may be transferred to the separate retirement system composed of positions of members who desire such coverage if it is so provided in a modification of such agreement which is mailed, or delivered by other means, to the Secretary prior to 1960 or, if later, the expiration of one year after the date on which such agreement, or the modification thereof making the agreement applicable to such separate retirement system, as the case may be, is agreed to, but only if, prior to such modification or such later modification, as the case may be, the individual occupying such position files with the State a written request for such transfer. For the purposes of this subsection, in the case of any retirement system in the State of Florida, Georgia, Minnesota, North Dakota, Pennsylvania, Washington, or the Territory of Hawaii which covers positions of employees of such State or Territory who are compensated in whole or in part from grants made to such State or Territory under title III, there shall be deemed to be, if such State or Territory so desires, a separate retirement system with respect to any of the following: (A) the positions of such employees; (B) the position of all employees of such State or Territory covered by such retirement system who are employed in the department of such State or Territory in which the employees referred to in clause (A) are employed; or (C) employees of such State or Territory covered by such retirement system who are employed in such department of such State or Territory in positions other than those referred to in clause (A).

* * * * *

Disability Insurance Benefits

Sec. 223. * * *

(c) For purposes of this section—

(1) An individual shall be insured for disability insurance benefits in any month if—

(A) he would have been a fully and currently insured individual (as defined in section 214) had he attained retirement age and filed application for benefits under section 202 (a) on the first day of such month, and

* * * * *

(3) The term "waiting period" means, in the case of any application for disability insurance benefits, the earliest period of six consecutive calendar months—

(A) throughout which the individual who files such application has been under a disability, and

(B) (i) which begins not earlier than with the first day of the sixth month before the month in which such application is filed if such individual is insured for disability insurance benefits in such sixth month, or (ii) if he is not so insured in such month, which begins not earlier than with the first day of the first month after such sixth month in which he is so insured.

* * * * *

Reduction of Benefits Based on Disability

Sec. 224. (a) If—

(1) any individual is entitled to a disability insurance benefit for any month, or to a child's insurance benefit for the month in which he attained the age of eighteen or any subsequent month, and

(2) either (A) it is determined by any agency of the United States under any other law of the United States or under a system established by such agency that a periodic benefit is payable by such agency for such month to such individual, and the amount of or eligibility for such periodic benefit is based (in whole or in part) on a physical or mental impairment of such individual, or (B) it is determined that a periodic benefit is payable for such month to such individual under a workmen's compensation law or plan of the United States or of a State on account of a physical or mental impairment of such individual.

then the benefit referred to in paragraph (1) shall be reduced (but not below zero) by an amount equal to such periodic benefit or benefits for such month. If such benefit referred to in paragraph (1) for any month is a child's insurance benefit and the periodic benefit or benefits referred to in paragraph (2) exceed such child's insurance benefit, the monthly benefit for such month to which an individual is entitled under subsection (b) or (g) of section 202 shall also be reduced (but not below zero) by the amount of such excess, but only if such individual (i) did not attain retirement age in such month or in any prior month, and (ii) would not be entitled to such monthly benefit if she did not have such child in her care (individually or jointly with her husband, in the case of a wife).

(b) If any periodic benefit referred to in subsection (a) (2) is determined to be payable on other than a monthly basis (excluding a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments), reduction of the benefits under this

section shall be made at such time or times and in such amounts as the Secretary finds will approximate, as nearly as practicable, the reduction prescribed in subsection (a).

(c) In order to assure that the purposes of this section will be carried out, the Secretary may, as a condition to certification for payment of any monthly insurance benefit payable to an individual under this title (if it appears to him that such individual may be eligible for a periodic benefit which would give rise to a reduction under this section), require adequate assurance of reimbursement to the Federal Disability Insurance Trust Fund in case periodic benefits, with respect to which such a reduction should be made, become payable to such individual and such reduction is not made.

(d) Any agency of the United States which is authorized by any law of the United States to pay periodic benefits, or has a system of periodic benefits, which are based in whole or in part on physical or mental impairment, shall (at the request of the Secretary) certify to him, with respect to any individual, such information as the Secretary deems necessary to carry out his functions under subsection (a).

(e) For purposes of this section, the term "agency of the United States" means any department or other agency of the United States or any instrumentality which is wholly owned by the United States. For the purposes of this section, the term "periodic benefit" does not include compensation paid to any individual under laws administered by the Veterans' Administration on account of such individual's service-connected disability.

* * * * *

Payment to States

Sec. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1956,¹⁹ (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children in the form of money payments under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds \$32,^{19a} or if there is more than one dependent child in the same home, as exceeds \$32 with respect to one such dependent child and \$23 with respect to each of the other dependent children, and not

¹⁹ In the 1956 Amendments, under Part V, sec. 342 made certain changes in the Federal matching formula and sec. 345 stated that these changes "shall be effective for the period beginning October 1, 1956, and ending with the close of June 30, 1959, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this part had not been enacted". See also footnote 1, p. 1.

^{19a} Sec. 342 of the 1956 Amendments substituted "\$32," "\$23," "fourteen-seventeenths," and "\$17" for "\$30," "\$21," "four-fifths," and "\$15" respectively in sec. 403(a) (1) effective October 1, 1956.

This subsection had previously been amended in 1946, in 1948, and again in 1952 when amendments were enacted for a two-year period that was extended by the 1954 Amendments for an additional two years ending September 30, 1956. Prior to the 1946 changes, States were entitled to one-half of their aid to dependent children expenditures up to a maximum Federal payment of \$9 for the first child in the home and \$6 for each of the other children in the home.

counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds \$32—

(A) fourteen-seventeenths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of \$17 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children in the form of money payments is paid for such month; plus

(B) one-half of the amounts by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to dependent children in the form of money payments under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds \$18, or if there is more than one dependent child in the same home, as exceeds \$18 with respect to one such dependent child and \$12 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds \$18; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to relatives with whom such children (applying for or receiving such aid) are living, in order to help such relatives attain self-support or self-care, or which are provided to maintain and strengthen family life for such children; and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as aid to dependent children under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds (A) the product of \$3 multiplied by the total number of dependent children who received aid to dependent children under the State plan for such month plus (B) the product of \$6 multiplied by the total number of other individuals who received aid to dependent children under the State plan for such month.²⁰

* * * * *

Part 3—Child-Welfare Services

Sec. 521. (a) For the purpose of enabling the United States through the Secretary of Health, Education, and Welfare, to cooperate with State public-welfare agencies in establishing, extending, and

²⁰ Clause (4) was added by sec. 302(c) of the 1954 Amendments effective July 1, 1957. Pursuant to sec. 9 of the Act of April 19, 1950 (64 Stat. 44, 47), the Secretary of the Treasury must also pay to the States, in addition to the amounts provided by sec. 403(a) of the Social Security Act, an amount equal to 80 percent of the State share of expenditures under the State plan with respect to Navajo and Hopi Indians.

See sec. 1108, p. 238, for limitation on amounts certifiable for payment to Puerto Rico and the Virgin Islands.

strengthening, especially in predominantly rural areas, public-welfare services (hereinafter in this section referred to as "child-welfare services") for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1958, the sum of \$12,000,000. Such amount shall be allotted by the Secretary for use by cooperating State public-welfare agencies on the basis of plans developed jointly by the State agency and the Secretary, to each State, \$40,000, and the remainder to each State on the basis of such plans, not to exceed such part of the remainder as the rural population of such State under the age of eighteen bears to the total rural population of the United States under such age. The amount so allotted shall be expended for payment of part of the cost of district, county, or other local child-welfare services in areas predominantly rural, for developing State services for the encouragement and assistance of adequate methods of community child-welfare organization in areas predominantly rural and other areas of special need, and for paying the cost of returning any runaway child who has not attained the age of sixteen to his own community in another State in cases in which such return is in the interest of the child and the cost thereof cannot otherwise be met: *Provided*, That in developing such services for children the facilities and experience of voluntary agencies shall be utilized in accordance with child care programs and arrangements in the States and local communities as may be authorized by the State. The amount of any allotment to a State under this section for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under this section until the end of the second succeeding fiscal year. No payment to a State under this section shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

(b) From the sums appropriated therefor and the allotments available under subsection (a) the Secretary of Health, Education, and Welfare shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States, and the Secretary of the Treasury shall, through the Fiscal Service of the Treasury Department, and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Health, Education, and Welfare.

Payment to States

Sec. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind for each quarter, beginning with the quarter commencing October 1, 1956, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds \$60—

(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the prod-

uct of \$30 multiplied by the total number of such individuals who received aid to the blind in the form of money payments for such month; plus

(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to the blind in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds \$30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of aid to the blind to help them attain self-support or self-care; and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of \$6 multiplied by the total number of individuals who received aid to the blind under the State plan for such month.²¹

* * * * *

Disclosure of Information in Possession of Department

Sec. 1106. (b) Requests for information, disclosure of which is authorized by regulations prescribed pursuant to subsection (a) of this section, may be complied with if the agency, person, or organization making the request agrees to pay for the information requested in such amount, if any (not exceeding the cost of furnishing the information), as may be determined by the Secretary. Payments for information furnished pursuant to this section shall be made in advance or by way of reimbursement, as may be requested by the Secretary, and shall be deposited in the Treasury as a special deposit to be used to reimburse the appropriations (including authorizations to make expenditures from the Federal Old-Age and Survivors Insurance Trust Fund) for the unit or units of the Department of Health, Education, and Welfare which prepared or furnished the information.

* * * * *

Payment to States

Sec. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, begin-

²¹ Clause (4) was added by sec. 303(c) of the 1956 Amendments effective July 1, 1957. Pursuant to sec. 9 of the Act of April 19, 1950 (64 Stat. 44, 47), the Secretary of the Treasury must also pay to States, in addition to the amounts provided by sec. 1003(a) of the Social Security Act, an amount equal to 80 percent of the State share of expenditures under the State plan with respect to Navajo and Hopi Indians.

ning with the quarter commencing October 1, 1956, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds \$60—

(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$30 multiplied by the total number of such individuals who received aid to the permanently and totally disabled in the form of money payments for such month; plus

(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A);

and (2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds \$30; and

(3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of such aid to help them attain self-support or self-care; and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of \$6 multiplied by the total number of individuals who received aid to the permanently and totally disabled under the State plan for such month.

Provisions of the Social Security Act as in Effect Prior to the 1960 Amendments to the Social Security Act

TITLE I—GRANTS TO STATES FOR OLD-AGE ASSISTANCE

Payment to States

Sec. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1958, (1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$30 multiplied by the total number of recipients of old-age assistance for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received old-age assistance in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as old-age assistance in the form of medical or any other type of remedial care); plus

(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$65 multiplied by the total number of such recipients of old-age assistance for such month;

and (2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$35 multiplied by the total number of recipients of old-age assistance for such month; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of old-age assistance to help them attain self-care.

TITLE II—FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS

Board of Trustees

Sec. 201. (c) * * * It shall be the duty of the Board of Trustees to—

(3) Report immediately to the Congress whenever the Board of Trustees is of the opinion that during the ensuing five fiscal years either of the Trust Funds will exceed three times the highest annual expenditures from such Trust Fund anticipated during that five-fiscal-year period, and whenever the Board of Trustees is of the opinion that the amount of either of the Trust Funds is unduly small; and

* * * * *

Investment of Trust Funds

(d) It shall be the duty of the Managing Trustee to invest such portion of the Trust Funds as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust Funds. Such obligations issued for purchase by the Trust Funds shall have maturities fixed with due regard for the needs of the Trust Funds, and bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt that are not due or callable until after the expiration of five years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such average rate. Such obligations shall be issued for purchase by the Trust Funds only if the Managing Trustee determines that the purchase in the market of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(e) Any obligations acquired by the Trust Funds (except special obligations issued exclusively to the Trust Funds) may be sold by the Managing Trustee at the market price, and such special obligations may be redeemed at par plus accrued interest.

* * * * *

Sec. 202. * * *

Child's Insurance Benefits

(d) (1) Every child (as defined in section 216(e)) of an individual entitled to old-age or disability insurance benefits, or of an individual who dies a fully or currently insured individual after 1939, if such child—

(A) has filed application for child's insurance benefits,

(B) at the time such application was filed was unmarried and either (i) had not attained the age of eighteen or (ii) was under a disability (as defined in section 223(c)) which began before he attained the age of eighteen, and

(C) was dependent upon such individual—

(i) if such individual had a period of disability which did not end prior to the month in which he became entitled to old-age or disability insurance benefits or (if he has died) prior to the month in which he died, at the beginning of such period or at the time he became entitled to such benefits or died,

(ii) if such individual did not have such a period and is living, at the time such application was filed, or

(iii) if such individual did not have such a period and has died, at the time of such death,

shall be entitled to a child's insurance benefit for each month, beginning, with the first month after August 1950 in which such child becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: such child dies, marries, is adopted (except for adoption by a step-parent, grandparent, aunt, or uncle subsequent to the death of such fully or currently insured individual), attains the age of eighteen and is not under a disability (as defined in section 223(c)) which began before he attained such age, or ceases to be under a disability (as so defined) on or after the day on which he attains age eighteen. Entitlement of any child to benefits under this subsection on the basis of the wages and self-employment income of an individual entitled to disability insurance benefits shall also end with the month before the first month for which such individual is not entitled to such benefits unless such individual is, for such later month, entitled to old-age insurance benefits or unless he dies in such month.

(2) Such child's insurance benefit for each month shall, if the individual on the basis of whose wages and self-employment income the child is entitled to such benefit has not died prior to the end of such month, be equal to one-half of the primary insurance amount of such individual for such month. Such child's insurance benefit for each month shall, if such individual has died in or prior to such month, be equal to three-fourths of the primary insurance amount of such individual, except that, if there is more than one child entitled to benefits on the basis of such individual's wages and self-employment income, each such child's insurance benefit for such month shall be

equal to the sum of (A) one-half of the primary insurance amount of such individual, and (B) one-fourth of such primary insurance amount divided by the number of such children.

(3) A child shall be deemed dependent upon his father or adopting father at the time specified in paragraph (1)(C) unless, at such time, such individual was not living with or contributing to the support of such child and—

* * * * * *

(C) such child was living with and was receiving more than one-half of his support from his stepfather.

* * * * * *

Widow's Insurance Benefits

(e)(1) The widow (as defined in section 216(c)) of an individual who died a fully insured individual after 1939, if such widow—

* * * * * *

Widower's Insurance Benefits

(f)(1) The widower (as defined in section 216(g)) of an individual who died a fully and currently insured individual after August 1950, if such widower—

* * * * * *

Mother's Insurance Benefits

(g)(1) The widow and every former wife divorced (as defined in section 216(d)) of an individual who died a fully or currently insured individual after 1939, if such widow or former wife divorced—

* * * * * *

Parent's Insurance Benefits

(h)(1) Every parent (as defined in this subsection) of an individual who died a fully insured individual after 1939, if such parent—

* * * * * *

Lump-Sum Death Payments

(i) Upon the death, after August 1950, of an individual who died a fully or currently insured individual, an amount equal to three times such individual's primary insurance amount, or an amount equal to \$255, whichever is the smaller, shall be paid in a lump sum to the person, if any determined by the Secretary to be the widow or widower of the deceased and to have been living in the same household with the deceased at the time of death. If there is no such person, or if such person dies before receiving payment, then such amount shall be paid to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of such insured individual. No payment shall be made to any person under this subsection unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of two years after

the date of death of such insured individual, or unless such person was entitled to wife's or husband's insurance benefits, on the basis of the wages and self-employment income of such insured individual, for the month preceding the month in which such individual died. In the case of any individual who died outside the forty-eight States and the District of Columbia after December 1953 and before January 1, 1957, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the provisions of the preceding sentence shall not prevent payment to any person under the second sentence of this subsection if application for a lump-sum death payment with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment. In the case of any individual who died outside the forty-eight States and the District of Columbia after December 1956 while he was performing services, as a member of a uniformed service, to which the provisions of section 210 (m) (1) are applicable, and who is returned to any of such States, or the District of Columbia, or to any Territory or possession of the United States, for interment or reinterment, the provisions of the third sentence of this section shall not prevent payment to any person under the second sentence of this subsection if application for a lump-sum death payment with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to expiration of two years after the date of such interment or reinterment.

* * * * *

Reduction of Insurance Benefits

Maximum Benefits

Sec. 203. (a) * * *

(3) when any of such individuals is entitled (without the application of section 202(j) (1) and section 223(b)) to monthly benefits based on the wages and self-employment income of an insured individual with respect to whom a period of disability (as defined in section 216(i)) began prior to January 1959 and continued until—

(A) he became entitled to benefits under section 202 or 223,

or

(B) he died, whichever first occurred, and the primary insurance amount of such insured individual is determined under the provisions of section 215(a) (1) or (3) and is not less than \$68, then such total of benefits shall not be reduced to less than the smaller of—

(C) the last figure in column V of the table appearing in section 215(a), or

(D) the amount in column V of such table on the same line on which, in column IV, appears his primary insurance amount, plus the excess of—

(i) such primary insurance amount, over

(ii) the smaller amount in column II of the table on the line on which appears such primary insurance amount.

In any case in which benefits are reduced pursuant to the preceding provisions of this subsection, such reduction shall be made after any deductions under this section and after any deductions under section 222(b). Whenever a reduction is made under this subsection, each benefit, except the old-age or disability insurance benefit, shall be proportionately decreased.

Deductions on Account of Work or Failure To Have Child in Care

(b) Deductions, in such amounts and at such time or times as the Secretary shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits under section 202 for any month—

(1) in which such individual is under the age of seventy-two and for which month he is charged with any earnings under the provisions of subsection (e) of this section; or

(2) in which such individual is under the age of seventy-two and on seven or more different calendar days of which he engaged in noncovered remunerative activity outside the United States; or

(3) in which such individual, if a wife under age 65 entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child or her husband entitled to a child's insurance benefit and such wife's insurance benefit for such month was not reduced under the provisions of section 202(q); or

(4) in which such individual, if a widow entitled to a mother's insurance benefit, did not have in her care a child of her deceased husband entitled to a child's insurance benefit; or

(5) in which such individual, if a former wife divorced entitled to a mother's insurance benefit, did not have in her care a child of her deceased former husband, who (A) is her son, daughter, or legally adopted child and (B) is entitled to a child's insurance benefit on the basis of the wages and self-employment income of her deceased former husband.

For purposes of paragraphs (3), (4), and (5), a child shall not be considered to be entitled to a child's insurance benefit for any month in which an event specified in section 222(b) occurs with respect to such child. No deduction shall be made under this subsection from any child's insurance benefit for the month in which the child entitled to such benefit attained the age of eighteen or any subsequent month.

Deductions From Dependent's Benefits Because of Work by Old-Age Insurance Beneficiary

(c)(1) Deductions shall be made from any wife's, husband's, or child's insurance benefit, based on the wages and self-employment income of an individual entitled to old-age insurance benefits to which a wife, husband, or child is entitled, until the total of such deductions equals such wife's, husband's, or child's insurance benefit or benefits under section 202 for any month—

(A) in which the individual, on the basis of whose wages and self-employment income such benefit was payable, is under the age of seventy-two and for which month he is charged with any earnings under the provisions of subsection (e) of this section; or

(B) in which the individual referred to in subparagraph (a) is under the age of seventy-two and on seven or more different calendar days of which he engaged in noncovered remunerative activity outside the United States.

(2) Deductions shall be made from any child's insurance benefit to which a child who has attained the age of eighteen is entitled or from any mother's insurance benefit to which a person is entitled, until the total of such deductions equals such child's insurance benefit or benefits or mother's insurance benefit or benefits under section 202 for any month—

(A) in which such child or person entitled to mother's insurance benefit is married to an individual entitled to old-age insurance benefits under section 202(a) who is under the age of seventy-two and for which month such individual is charged with any earnings under the provisions of subsection (e) of this section, or

(B) in which such child or person entitled to mother's insurance benefits is married to the individual referred to in subparagraph (A) and on seven or more different calendar days of which such individual engaged in noncovered remunerative activity outside the United States.

* * * * *

Months to Which Earnings Are Charged

(e) For the purposes of subsections (b) and (c)—

(1) If an individual's earnings for a taxable year of twelve months are not more than \$1,200, no month in such year shall be charged with any earnings. If an individual's earnings for a taxable year of less than twelve months are not more than the product of \$100 times the number of months in such year, no month in such year shall be charged with any earnings.

(2) If an individual's earnings for a taxable year of twelve months are in excess of \$1,200, the amount of his earnings in excess of \$1,200 shall be charged to months as follows: The first \$80 of such excess shall be charged to the first month of such taxable year, and the balance, if any, of such excess shall be charged at the rate of \$80 per month to each succeeding month in such year to which such charging is not prohibited by the last sentence of this paragraph, until all of such balance has been applied. If an individual's earnings for a taxable year of less than twelve months are more than the product of \$100 times the number of months in such year, the amount of such earnings in excess of such product shall be charged to months as follows: The first \$80 of such excess shall be charged to the first month of such taxable year, and the balance, if any, shall be charged at the rate of \$80 per month to each succeeding month in such year to which such charging is not prohibited by the last sentence of this paragraph, until all of such balance has been applied. Notwithstanding the preceding provisions of this paragraph, no part of the excess referred to in such

provisions shall be charged to any month (A) for which the individual whose earnings are involved was not entitled to a benefit under this title, (B) in which an event described in paragraph (2), (3), (4), or (5) of subsection (b) occurred, (C) in which such individual was age seventy-two or over, or (D) in which such individual did not engage in self-employment and did not render services for wages (determined as provided in paragraph (4) of this subsection) of more than \$100.

(3) (A) As used in paragraph (2), the term "first month of such taxable year" means the earliest month in such year to which the charging of the excess described in such paragraph is not prohibited by the application of clauses (A), (B), (C), and (D) thereof.

(B) For purposes of clause (D) of paragraph (2)—

(i) An individual will be presumed, with respect to any month, to have been engaged in self-employment in such month until it is shown to the satisfaction of the Secretary that such individual rendered no substantial services in such month with respect to any trade or business the net income or loss of which is includible in computing (as provided in paragraph (4) of this subsection) his net earnings or net loss from self-employment for any taxable year. The Secretary shall by regulations prescribe the methods and criteria for determining whether or not an individual has rendered substantial services with respect to any trade or business.

(ii) An individual will be presumed, with respect to any month, to have rendered services for wages (determined as provided in paragraph (4) of this subsection) of more than \$100 until it is shown to the satisfaction of the Secretary that such individual did not render such services in such month for more than such amount.

(4) (A) An individual's earnings for a taxable year shall be (i) the sum of his wages for services rendered in such year and his net earnings from self-employment for such year, minus (ii) any net loss from self-employment for such year.

(B) In determining an individual's net earnings from self-employment and his net loss from self-employment for purposes of subparagraph (A) of this paragraph and subparagraph (B) of paragraph (3), the provisions of section 211, other than paragraphs (1), (4), and (5) of subsection (c), shall be applicable; and any excess of income over deductions resulting from such a computation shall be his net earnings from self-employment and any excess of deductions over income so resulting shall be his net loss from self-employment.

(C) For purposes of this subsection, an individual's wages shall be computed without regard to the limitations as to amounts of remuneration specified in subsection (a), (g) (2), (g) (3), (h) (2), and (j) of section 209; and in making such computation services which do not constitute employment as defined in section 210, performed within the United States by the individual as an employee or performed outside the United States in the active military or naval service of the United States, shall be deemed to be employment as so defined if the remuneration for such services is not

includible in computing his net earnings or net loss from self-employment.

(5) For purposes of this subsection, wages (determined as provided in paragraph (4) (C)) which, according to reports received by the Secretary, are paid to an individual during a taxable year shall be presumed to have been paid to him for services performed in such year until it is shown to the satisfaction of the Secretary that they were paid for services performed in another taxable year. If such reports with respect to an individual show his wages for a calendar year, such individual's taxable year shall be presumed to be a calendar year for purposes of this subsection until it is shown to the satisfaction of the Secretary that his taxable year is not a calendar year.

* * * * *

Penalty for Failure to Report Certain Events

(f) Any individual in receipt of benefits subject to deduction under subsection (b) or (c), (or who is in receipt of such benefits on behalf of another individual), because of the occurrence of an event specified therein (other than an event specified in subsection (b) (1) or (c) (1)), who fails to report such occurrence to the Secretary prior to the receipt and acceptance of an insurance benefit for the second month following the month in which such event occurred, shall suffer an additional deduction equal to that imposed under subsection (b) or (c), except that the first additional deduction imposed by this subsection in the case of any individual shall not exceed an amount equal to one month's benefit even though the failure to report is with respect to more than one month.

Report of Earnings to Secretary

(g) * * *

(3) If the Secretary determines, on the basis of information obtained by or submitted to him, that it may reasonably be expected that an individual entitled to benefits under section 202 for any taxable year will suffer deductions imposed under subsection (b) (1) by reason of his earnings for such year, the Secretary may, before the close of such taxable year, suspend the payment for each month in such year (or for only such months as the Secretary may specify) of the benefits payable on the basis of such individual's wages and self-employment income; and such suspension shall remain in effect with respect to the benefits for any month until the Secretary has determined whether or not any deduction is imposed for such month under subsection (b). The Secretary is authorized, before the close of the taxable year of an individual entitled to benefits during such year, to request such individual that he make, at such time or times as the Secretary may specify, a declaration of his estimated earnings for the taxable year and that he furnish to the Secretary such other information with respect to such earnings as the Secretary may specify. A failure by such individual to comply with any such request shall in itself constitute justification for a determination under this paragraph that it may reasonably be expected that the individual will suffer deductions imposed under subsection (b) (1) by reason of his earnings for such year. If, after the close of a taxable year of

an individual entitled to benefits under section 202 for such year, the Secretary requests such individual to furnish a report of his earnings (as computed pursuant to paragraph (4) of subsection (e) for such taxable year or any other information with respect to such earnings which the Secretary may specify, and the individual fails to comply with such request, such failure shall in itself constitute justification for a determination that such individual's benefits are subject to deductions under subsection (b) (1) for each month in such taxable year (or only for such months thereof as the Secretary may specify) by reason of his earnings for such year.

* * * * *

Noncovered Remunerative Activity Outside the United States

(k) An individual shall be considered to be engaged in noncovered remunerative activity outside the United States if he performs services outside the United States as an employee and such services do not constitute employment as defined in section 210 and are not performed in the active military or naval service of the United States, or if he carries on a trade or business outside the United States (other than the performance of service as an employee) the net income or loss of which (1) is not includible in computing his net earnings from self-employment for a taxable year and (2) would not be excluded from net earnings from self-employment, if carried on in the United States, by any of the numbered paragraphs of section 211(a). When used in the preceding sentence with respect to a trade or business (other than the performance of service as an employee), the term "United States" does not include Puerto Rico or the Virgin Islands in the case of an alien who is not a resident of the United States (including Puerto Rico and the Virgin Islands); and the term "trade or business" shall have the same meaning as when used in section 162 of the Internal Revenue Code of 1954.

* * * * *

Change in Records After Expiration of Time Limitation

Sec. 205. (c) * * *

(5) After the expiration of the time limitation following any year in which wages were paid or alleged to have been paid to, or self-employment income was derived or alleged to have been derived by, an individual, the Secretary may change or delete any entry with respect to wages or self-employment income in his records of such year for such individual or include in his records of such year for such individual any omitted item of wages or self-employment income but only—

* * * * *

(F) to conform his records to tax returns or portions thereof (including information returns and other written statements) filed with the Commissioner of Internal Revenue under title VIII of the Social Security Act, under subchapter E of chapter 1 or subchapter A of chapter 9 of the Internal Revenue Code of 1939, or chapters 2 and 21 of the Internal Revenue Code of 1954 or under regulations made under authority of such title or sub-

chapter or chapter, and to information returns filed by a State pursuant to an agreement under section 218 or regulations of the Secretary thereunder; except that no amount of self-employment income of an individual for any taxable year (if such return or statement was filed after the expiration of the time limitation following the taxable year) shall be included in the Secretary's records pursuant to this subparagraph;

* * * * *

Sec. 210. For the purposes of this title—

Employment

(a) The term “employment” * * * shall not include—

* * * * *

(3) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;

* * * * *

(6) * * *

(B) Service performed by an individual in the employ of an instrumentality of the United States if such an instrumentality was exempt from the tax imposed by section 1410 of the Internal Revenue Code of 1939 on December 31, 1950, and if such service is covered by a retirement system established by such instrumentality; except that the provisions of this subparagraph shall not be applicable to—

* * * * *

(ii) service performed in the employ of a national farm loan association, a production credit association, a Federal Reserve Bank, a Federal Home Loan Bank, or a Federal Credit Union;

* * * * *

(7) Service (other than service included under an agreement under section 218 and other than service which, under subsection (1), constitutes covered transportation service) performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions;

* * * * *

State

(h) The term “State” includes Alaska, Hawaii, the District of Columbia, and the Virgin Islands; and on and after the effective date specified in section 219 such term includes Puerto Rico.

United States

(i) The term “United States” when used in a geographical sense means the States, Alaska, Hawaii, the District of Columbia, and the Virgin Islands; and on and after the effective date specified in section 219 such term includes Puerto Rico.

Citizen of Puerto Rico

(j) An individual who is a citizen of Puerto Rico (but not otherwise a citizen of the United States) and who is not a resident of the United States shall not be considered, for the purposes of this section, as a citizen of the United States prior to the effective date specified in section 219.

* * * * *

Self-Employment

Sec. 211. For the purposes of this title—

(a) * * *

(6) (A) In the case of any taxable year beginning before the effective date specified in section 219, the term “possession of the United States” when used in section 931 of the Internal Revenue Code of 1954 with respect to citizens of the United States shall include Puerto Rico;

(B) In the case of any taxable year beginning on or after the effective date specified in section 219, a resident of Puerto Rico shall compute his net earnings from self-employment in the same manner as a citizen of the United States but without regard to the provisions of section 933 of such code;

Self-Employment Income

(b) The term “self-employment income” means the net earnings from self-employment derived by an individual (other than a non-resident alien individual) during any taxable year beginning after 1950; * * *

In the case of any taxable year beginning prior to the effective date specified in section 219, an individual who is a citizen of Puerto Rico (but not otherwise a citizen of the United States) and who is not a resident of the United States during such taxable year shall be considered, for the purposes of this subsection, as a nonresident alien individual. An individual who is not a citizen of the United States but who is a resident of the Virgin Islands or (after the effective date specified in section 219) a resident of Puerto Rico shall not, for the purposes of this subsection, be considered to be a nonresident alien individual.

Trade or Business

(c) The term “trade or business”, when used with reference to self-employment income or net earnings from self-employment, shall have the same meaning as when used in section 162 of the Internal Revenue Code of 1954, except that such term shall not include—

* * * * *

(2) The performance of service by an individual as an employee (other than service described in section 210 (a) (14) (B) performed by an individual who has attained the age of eighteen, service described in section 210 (a) (16), and service described in paragraph (4) of this subsection);

* * * * *

Quarter and Quarter of Coverage

Definitions

Sec. 213. (a) For the purpose of this title—

* * * * *

(2) (A) The term “quarter of coverage” means, in the case of any quarter occurring prior to 1951, a quarter in which the individual has been paid \$50 or more in wages, except that no quarter any part of which was included in a period of disability (as defined in section 216(i)), other than the initial quarter of such period, shall be a quarter of coverage. In the case of any individual who has been paid, in a calendar year prior to 1951, \$3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual died or became entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled, and excepting any quarter any part of which was included in a period of disability, other than the initial quarter of such period.

(B) The term “quarter of coverage” means, in the case of a quarter occurring after 1950, a quarter in which the individual has been paid \$50 or more in wages (except wages for agricultural labor paid after 1954) or for which he has been credited (as determined under section 212) with \$100 or more of self-employment income, except that—

(i) no quarter after the quarter in which such individual died shall be a quarter of coverage, and no quarter any part of which was included in a period of disability (other than the initial quarter and the last quarter of such period) shall be a quarter of coverage;

(ii) if the wages paid to any individual in any calendar year equal \$3,600 in the case of a calendar year after 1950 and before 1955, or \$4,200 in the case of a calendar year after 1954 and before 1959, or \$4,800 in the case of a calendar year after 1958, each quarter of such year shall (subject to clause (i)) be a quarter of coverage;

* * * * *

Sec. 214. For the purposes of this title—

Fully Insured Individual

(a) (1) In the case of any individual who died prior to September 1, 1950, the term “fully insured individual” means any individual who had not less than one quarter of coverage (whenever acquired) for each two of the quarters elapsing after 1936, or after the quarter in which he attained the age of twenty-one, whichever is later, and up to but excluding the quarter in which he attained retirement age, or died, whichever first occurred, except that in no case shall an individual be a fully insured individual unless he has at least six quarters of coverage.

(2) In the case of any individual who did not die prior to September 1, 1950, the term "fully insured individual" means any individual who had not less than—

(A) one quarter of coverage (whether acquired before or after such day) for each two of the quarters elapsing after 1950, or after the quarter in which he attained the age of twenty-one, whichever is later, and up to but excluding the quarter in which he attained retirement age, or died, whichever first occurred, except that in no case shall an individual be a fully insured individual unless he has at least six quarters of coverage; or

(B) forty quarters of coverage, not counting as an elapsed quarter for purposes of subparagraph (A) any quarter any part of which was included in a period of disability (as defined in section 216(i)) unless such quarter was a quarter of coverage.

(3) In the case of any individual who did not die prior to January 1, 1955, the term "fully insured individual" means any individual who meets the requirements of paragraph (2) and, in addition, any individual with respect to whom all but four of the quarters elapsing after 1954 and prior to (i) July 1, 1957, or (ii) if later, the quarter in which he attained retirement age or died, whichever first occurred, are quarters of coverage, but only if not fewer than six of such quarters so elapsing are quarters of coverage.

(4) When the number of elapsed quarters specified in paragraph (1) or (2) (A) is an odd number, for purposes of such paragraph such number shall be reduced by one.

* * * * *

Average Monthly Wage

Sec. 215. * * *

(b) (1) For the purposes of column III of the table appearing in subsection (a) of this section, an individual's "average monthly wage" shall be the quotient obtained by dividing the total of his wages and self-employment income after his starting date (determined under paragraph (2)) and prior to his closing date (determined under paragraph (3)), by the number of months elapsing after such starting date and prior to such closing date, excluding from such elapsed months—

(A) the months in any year prior to the year in which he attained the age of twenty-two if less than two quarters of such prior year were quarters of coverage, and

(B) the months in any year any part of which was included in a period of disability except the months in the year in which such period of disability began if their inclusion in such elapsed months (together with the inclusion of the wages paid in and self-employment income credited to such year) will result in a higher primary insurance amount.

Notwithstanding the preceding provisions of this paragraph when the number of the elapsed months computed under such provisions (including a computation after the application of paragraph (4)) is less than eighteen, it shall be increased to eighteen.

(2) An individual's "starting date" shall be—

(A) December 31, 1950, or

(B) if later, the last day of the year in which he attains the age of twenty-one, whichever results in the higher primary insurance amount.

(3) An individual's "closing date" shall be whichever of the following results in the higher primary insurance amount;

(A) the first day of the year in which he died or became entitled to old-age insurance benefits, whichever first occurred; or

(B) the first day of the first year in which he both was fully insured and had attained retirement age:²²

except that if the Secretary determines, on the basis of the evidence available to him at the time of the computation of the individual's primary insurance amount with respect to which such closing date is applicable, that it would result in a higher primary insurance amount for such individual, his closing date shall be the first day of the year following the year referred to in subparagraph (A).

(4) In the case of any individual, the Secretary shall determine the five or fewer full calendar years after his starting date and prior to his closing date which, if the months of such years and his wages and self-employment income for such years were excluded in computing his average monthly wage, would produce the highest primary insurance amount. Such months and such wages and self-employment income shall be excluded for purposes of computing such individual's average monthly wage.

(5) The provisions of this subsection shall be applicable only in the case of an individual with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage, and—

(A) who becomes entitled to benefits under section 202(a) or section 223 after December 1958, or

(B) who dies after such month without being entitled to benefits under such section 202(a) or section 223, or

(C) who files an application for a recomputation under section 215(f)(2)(A) after such month and is (or would, but for the provisions of section 215(f)(6), be) entitled to have his primary insurance amount recomputed under such section, or

(D) who dies after such month and whose survivors are (or would, but for the provisions of section 215(f)(6), be) entitled to a recomputation of his primary insurance amount under section 215(f)(4); or

(E) who files an application for a recomputation under subparagraph (B) of section 102(f)(2) of the Social Security Amendments of 1954 after such month and is (or would, but for the fact that such recomputation would not result in a higher primary insurance amount for such individual, be) entitled to have his primary insurance amount recomputed under such subparagraph.

* * * * *

Primary Insurance Benefit Under 1939 Act

(d)(1) * * *

(A) In the computation of such benefit, such individual's average monthly wage shall (in lieu of being determined under

²² Special provisions relating to retirement age for women for purposes of subpar. (B) appear in sec. 102(b)(3) of the 1956 Amendments.

section 209(f) of such title as in effect prior to the enactment of such amendments) be determined as provided in subsection (b) of this section (but without regard to paragraph (5) thereof), except that his starting date shall be December 31, 1936.

* * * * *

(C) The 1 per centum addition provided for in section 209 (e)(2) of this Act as in effect prior to the enactment of the Social Security Act Amendment of 1950 shall be applicable only with respect to calendar years prior to 1951, except that any wages paid in any year prior to such year any part of which was included in a period of disability shall not be counted. Notwithstanding the preceding sentence, the wages paid in the year in which such period of disability began shall be counted if the counting of such wages would result in a higher primary insurance amount.

* * * * *

Certain Wages and Self-Employment Income Not To Be Counted

(e)(3) if an individual's closing date is determined under paragraph (3)(A) of subsection (b) and he has self-employment income in a taxable year which begins prior to such closing date and ends after the last day of the month preceding the month in which he becomes entitled to old-age insurance benefits, there shall not be counted, in determining his average monthly wage, his self-employment income in such taxable year, except as provided in section 215 (f)(3)(C); and

(4) in computing an individual's average monthly wage, there shall not be counted—

(A) any wages paid such individual in any year any part of which was included in a period of disability, or

(B) any self-employment income of such individual credited pursuant to section 212 to any year any part of which was included in a period of disability, unless the months of such year are included as elapsed months pursuant to section 215(b)(1)(B).

* * * * *

Recomputation of Benefits

(f) * * *

(2) (A) Upon application filed after 1954 by an individual entitled to old-age insurance benefits, the Secretary shall recompute his primary insurance amount if—

(i) he has not less than six quarters of coverage in the period after 1950 and prior to the quarter in which such application is filed,

(ii) he has wages and self-employment income of more than \$1,200 in a calendar year which occurs after 1953 (not taking into account any year prior to the calendar year in which the last previous recomputation, if any, of his primary insurance amount was effective) and after the year in which he became (without the application of section 202(j)(1)) entitled to old-age insurance

benefits or filed an application for recomputation (to which he is entitled) under section 102(e) (5) (B) or 102(f) (2) (B) of the Social Security Amendments of 1954, whichever of such events is the latest, and

(iii) he filed such application no earlier than six months after such calendar year referred to in clause (ii) in which he had such wages and self-employment income.

Such recomputation shall be effective for and after the twelfth month before the month in which he filed such application for recomputation but in no event earlier than the month following such calendar year referred to in clause (ii). For the purposes of this subparagraph an individual's self-employment income shall be allocated to calendar quarters in accordance with section 212.

(B) A recomputation pursuant to subparagraph (A) shall be made as provided in subsection (a) of this section and as though the individual first became entitled to old-age insurance benefits in the month in which he filed the application for such recomputation, but only if the provisions of subsection (b) (4) were not applicable to the last previous computation of his primary insurance amount. If the provisions of subsection (b) (4) were applicable to such previous computation, the recomputation under subparagraph (A) of this paragraph shall be made only as provided in subsection (a) (1) (other than subparagraph (B) thereof) and for such purposes his average monthly wage shall be determined as though he became entitled to old-age insurance benefits in the month in which he filed the application for recomputation under subparagraph (A), except that of the provisions of paragraph (3) of subsection (b), only the provisions of subparagraph (A) thereof shall be applicable.

(3) Upon application by an individual—

(i) who became (without the application of section 202(j) (1)) entitled to old-age insurance benefits under section 202(a) after August 1954, or

(ii) whose primary insurance amount was recomputed under section 102(e) (5) or 102(f) (2) (B) of the Social Security Amendments of 1954, or

(iii) whose primary insurance amount was recomputed as provided in the first sentence of paragraph (2) (B) of this subsection on the basis of an application filed after August 1954,

the Secretary shall recompute his primary insurance amount if such application is filed after the year in which he became entitled to old-age insurance benefits or in which he filed his application for the last recomputation (to which he was entitled) of his primary insurance amount under any provision of law referred to in clause (ii) or (iii) of this sentence, whichever is the later. Such recomputation under this subparagraph shall be made in the manner provided in the preceding subsections of this section for computation of his primary insurance amount, except that his closing date for purposes of subsection (b) shall be the first day of the year following the year in which he became entitled to old-age insurance benefits or in which he filed his application for the last recomputation (to which he was entitled) of his primary insurance amount under any provision of law referred to in clause (ii) or (iii) of the preceding sentence, which—

ever is the later. Such recomputation under this subparagraph shall be effective for and after the first month for which his last previous computation of his primary insurance amount was effective, but in no event for any month prior to the twenty-fourth month before the month in which the application for such recomputation is filed.

(B) In the case of an individual who dies after August 1954—

(i) who, at the time of death, was not entitled to old-age insurance benefits under section 202(a), or who became entitled to old-age insurance benefits under section 202(a) after August 1954, or whose primary insurance amount was recomputed under paragraph (2) or (4) of this subsection, or section 102(e)(5) or section 102(f)(2)(B) of the Social Security Amendments of 1954, on the basis of an application filed after August 1954; and

(ii) with respect to whom the last previous computation or recomputation of his primary insurance amount was based upon a closing date determined under subparagraph (A) or (B) of subsection (b)(3) of this section,

the Secretary shall recompute his primary insurance amount upon the filing of an application by a person entitled to monthly benefits or a lump-sum death payment on the basis of his wages and self-employment income. Such recomputation shall be made in the manner provided in the preceding subsections of this section for computation of such amount, except that his closing date for purposes of subsection (b) shall be the day following the year of death in case he died without becoming entitled to old-age insurance benefits, or, in case he was entitled to old-age insurance benefits, the day following the year in which was filed the application for the last previous computation of his primary insurance amount or in which the individual died, whichever first occurred. In the case of monthly benefits, such recomputation shall be effective for and after the month in which the person entitled to such monthly benefits became so entitled, but in no event for any month prior to the twenty-fourth month before the month in which the application for such recomputation is filed.

(C) If an individual's closing date is determined under paragraph (3)(A) of subsection (b) of this section and he has self-employment income in a taxable year which begins prior to such closing date and ends after the last day of the month preceding the month in which he became entitled to old-age insurance benefits, the Secretary shall recompute his primary insurance amount after the close of such taxable year, taking into account only such self-employment income in such taxable year as is, pursuant to section 212, allocated to calendar quarters prior to such closing date. Such recomputation shall be effective for and after the first month in which he became entitled to old-age insurance benefits.

(4) Upon the death after 1954 of an individual entitled to old-age insurance benefits, if any person is entitled to monthly benefits, or to a lump-sum death payment, on the basis of the wages and self-employment income of such individual, the Secretary shall recompute the decedent's primary insurance amount, but only if—

(A) the decedent would have been entitled to a recomputation under paragraph (2)(A) (without the application of clause (iii) thereof) if he had filed application therefor in the month in which he died; or

(B) the decedent during his lifetime was paid compensation which was treated under section 205(o) as remuneration for employment.

If the recomputation is permitted by subparagraph (A) the recomputation shall be made (if at all) as though he had filed application for a recomputation under paragraph (2)(A) in the month in which he died, except that such recomputation shall include any compensation (described in section 205(o)) paid to him prior to the closing date which would have been applicable under such paragraph. If recomputation is permitted by subparagraph (B) the recomputation shall take into account only the wages and self-employment income which were taken into account in the last previous computation of his primary insurance amount and the compensation (described in section 205(o)) paid to him prior to the closing date applicable to such computation. If both of the preceding sentences are applicable to an individual, only the recomputation which results in the larger primary insurance amount shall be made.

(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202(j)(1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed after the close of such taxable year by such individual or (if he died without filing such application) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Secretary shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b)(4)(A)) for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Secretary prior to the effective date of the recomputation.

* * * * *

Rounding of Benefits

(g) The amount of any primary insurance amount and the amount of any monthly benefit computed under section 202 or 223 which (after reduction under section 203(a)) is not a multiple of \$0.10 shall be raised to the next higher multiple of \$0.10.

Other Definitions

Sec. 216. For the purposes of this title—

* * * * *

Wife

(b) The term “wife” means the wife of an individual, but only if she * * * (2) was married to him for a period of not less than three years immediately preceding the day on which her application is filed, * * *

* * * * *

Child

(e) The term “child” means (1) the child or legally adopted child of an individual, and (2) in the case of a living individual, a stepchild who has been such stepchild for not less than three years immediately preceding the day on which application for child’s benefits is filed, and (3) in the case of a deceased individual, a stepchild who has been such stepchild for not less than one year immediately preceding the day on which such individual died. For purposes of clause (1), a person shall be deemed, as of the date of death of an individual, to be the legally adopted child of such individual if such person was at the time of such individual’s death living in such individual’s household and was legally adopted by such individual’s surviving spouse after such individual’s death but before the end of two years after the day on which such individual died or the date of enactment of this Act; except that this sentence shall not apply if at the time of such individual’s death such person was receiving regular contributions toward his support from someone other than such individual or his spouse, or from any public or private welfare organization which furnishes services or assistance for children.

Husband

(f) The term “husband” means the husband of an individual, but only if * * * (2) he was married to her for a period of not less than three years immediately preceding the day on which his application is filed, or * * *

* * * * *

Disability ; Period of Disability

(i) * * *

(2) The term “period of disability” means a continuous period of not less than six full calendar months (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)). No such period shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination with respect to such period; and no such period shall begin as to any individual after such individual attains the age of sixty-five. Except as provided in paragraph (4), a period of disability shall begin—

(A) if the individual satisfies the requirements of paragraph (3) on such day,

(i) on the day the disability began, or

(ii) on the first day of the eighteen-month period which ends with the day before the day on which the individual files such application,

whichever occurs later;

(B) if such individual does not satisfy the requirements of paragraph (3) on the day referred to in subparagraph (A), then on the first day of the first quarter thereafter in which he satisfies such requirements.

A period of disability shall end with the close of the last day of the first month in which either the disability ceases or the individual attains the age of sixty-five. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph) shall be accepted as an application for purposes of this paragraph, and no such application which is filed prior to January 1, 1955, shall be accepted.

* * * * *

Sec. 218. * * *

Effective Date of Agreement

(f) (1) Any agreement or modification of an agreement under this section shall be effective with respect to services performed after an effective date specified in such agreement or modification; except that—

(A) in the case of any agreement or modification agreed to prior to 1954, such date may not be earlier than December 31, 1950;

(B) in the case of an agreement or modification agreed to after 1954 but prior to 1958, such date may not be earlier than December 31, 1954;

(C) in the case of an agreement or modification agreed to after 1957 but prior to 1960, such date may not be earlier than December 31, 1955; and

(D) in the case of an agreement or modification agreed to during 1954 or after 1959, such date may not be earlier than the last day of the calendar year preceding the year in which such agreement or modification, as the case may be, is agreed to by the Secretary of Health, Education, and Welfare and the State.

* * * * *

Effective Date in Case of Puerto Rico

Sec. 219. If the Governor of Puerto Rico certifies to the President of the United States that the legislature of Puerto Rico has, by concurrent resolution, resolved that it desires the extension to Puerto Rico of the provisions of this title, the effective date referred to in sections 210(h), 210(i), 210(j), 211(a) (6) and 211(b) shall be January 1 of the first calendar year which begins more than ninety days after the date on which the President receives such certification.

* * * * *

Sec. 222. * * *

Service Performed Under Rehabilitation Program

(c) For purposes of sections 216(i) and 223, an individual shall not be regarded as able to engage in substantial gainful activity solely by reason of services rendered by him pursuant to a program for his rehabilitation carried on under a State plan approved under the Vocational Rehabilitation Act. This subsection shall not apply with respect to any such services rendered after the eleventh month following the first month during which such services are rendered.

* * * * *

Disability Insurance Benefit Payments

Disability Insurance Benefits

Sec. 223. (a) (1) Every individual who—

(A) is insured for disability insurance benefits (as determined under subsection (c) (1)),

(B) has attained the age of fifty and has not attained the age of sixty-five,

(C) has filed application for disability insurance benefits, and

(D) is under a disability (as defined in subsection (c) (2)) at the time such application is filed,

shall be entitled to a disability insurance benefit for each month, beginning with the first month after his waiting period (as defined in subsection (c) (3)) in which he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: his disability ceases, he dies, or he attains the age of sixty-five.

(2) Such individual's disability insurance benefit for any month shall be equal to his primary insurance amount for such month determined under section 215 as though he became entitled to old-age insurance benefits in the first month of his waiting period.

Filing of Application

(b) No application for disability insurance benefits which is filed more than nine months before the first month for which the applicant becomes entitled to such benefits shall be accepted as a valid application for purposes of this section. An individual who would have been entitled to a disability insurance benefit for any month after June 1957 had he filed application therefor prior to the end of such month shall be entitled to such benefit for such month if he files application therefor prior to the end of the twelfth month immediately succeeding such month.

(c) * * * Notwithstanding the preceding provisions of this paragraph, no waiting period may begin for any individual before January 1, 1957; nor may any such period begin for any individual before the first day of the sixth month before the month in which he attains the age of fifty.

* * * * *

TITLE III—GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION ADMINISTRATION

Appropriations

Section 301. For the purpose of assisting the States in the administration of their unemployment compensation laws, there is hereby authorized to be appropriated, for the fiscal year ending June 30, 1936, the sum of \$4,000,000, for each fiscal year thereafter up to and including the fiscal year ending June 30, 1938, the sum of \$49,000,000, and for the fiscal year ending June 30, 1939, and for each fiscal year thereafter, the sum of \$80,000,000, to be used as hereinafter provided.

* * * * *

TITLE IX—MISCELLANEOUS PROVISIONS RELATING TO EMPLOYMENT SECURITY

Appropriations

Section 901. (a) (1) There are hereby appropriated to the Unemployment Trust Fund, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1954, and for each fiscal year thereafter, an amount equal to the amount by which—

(A) 100 per centum of the tax (including interest, penalties, and additions to the tax) received during the fiscal year under the Federal Unemployment Tax Act and covered into the Treasury; exceeds

(B) the sum of (i) the employment security administrative expenditures for such year, (ii) the refunds of such tax (including interest on such refunds) made during such fiscal year, and (iii) the amounts appropriated by section 1202(b) for such fiscal year.

(2) The amount appropriated by paragraph (1) for any fiscal year shall be transferred from the general fund in the Treasury to the Unemployment Trust Fund at the close of such fiscal year. Each such transfer shall be based on estimates made by the Secretary of the Treasury as of the close of such fiscal year, but proper adjustment shall be made in the amount transferred at the close of the succeeding fiscal year to the extent that such estimates prove to be erroneous. The Secretary of the Treasury shall make his estimate of those employment security administrative expenditures for any fiscal year which are described in subsection (b) (1) only after consultation with the Secretary of Labor.

(b) For the purposes of subsection (a), the term "employment security administrative expenditures" means, in the case of any fiscal year, the sum of—

(1) the aggregate of the amounts expended during the fiscal year for the purpose of assisting the States in (A) the administration of their unemployment compensation laws (including administration pursuant to agreements under title IV of the Vet-

erans' Readjustment Assistance Act of 1952), (B) the establishment and maintenance of systems of public employment offices in accordance with the Act of June 6, 1933, as amended (29 U.S.C., sec. 49-49n), and (C) carrying into effect section 602 of the Servicemen's Readjustment Act of 1944, as amended; and

(2) the amount estimated by the Secretary of Labor as equal to the necessary expenses incurred during the fiscal year for the performance by the Department of Labor of its functions (except its functions with respect to Puerto Rico and the Virgin Islands) under (i) this title and titles III and XII of this Act, (ii) the Federal Unemployment Tax Act, (iii) the provisions of the Act of June 6, 1933, as amended, (iv) title IV (except section 602) of the Servicemen's Readjustment Act of 1944, as amended, and (v) title IV of the Veterans' Readjustment Act of 1952; and

(3) the amount estimated by the Secretary of the Treasury as equal to the necessary expenses incurred during the fiscal year for the performance by the Department of the Treasury of its functions under this title and titles III and XII of this Act and under the Federal Unemployment Tax Act.

Amounts Credited to Federal Unemployment Account

Sec. 902. Whenever any amount is transferred to the Unemployment Trust Fund under section 901(a), there shall be credited (as of the beginning of the succeeding fiscal year) to the Federal unemployment account so much of such amount as equals whichever of the following is the lesser:

(1) The total amount so transferred; or

(2) The amount by which \$200,000,000 exceeds the adjusted balance in the Federal unemployment account at the close of the fiscal year for which the transfer is made.

For the purposes of the preceding sentence, the term "adjusted balance" means the amount by which the balance in the Federal unemployment account exceeds the sum of the outstanding advances under section 1202(c) to the Federal unemployment account.

Accounts Credited to States' Accounts

Sec. 903. (a) So much of any amount transferred to the Unemployment Trust Fund at the close of any fiscal year under section 901, (a) as is not credited to the Federal unemployment account under section 902 shall be credited (as of the beginning of the succeeding fiscal year) to the accounts of the States in the Unemployment Trust Fund. Each State's share of the funds to be credited under this subsection as of any July 1 shall be determined by the Secretary of Labor and certified by him to the Secretary of the Treasury on or before that date on the basis of reports furnished by the States to the Secretary of Labor by June 1 and shall bear the same ratio to the total amount to be so credited as the amount of wages subject to contributions under such State unemployment compensation law during the preceding calendar year which have been reported to the State by May 1 bears to the total of wages subject to contributions under all State

compensation laws during such calendar year which have been reported to the States by such May 1.

(b) If the Secretary of Labor finds that on July 1 of any fiscal year—

(1) a State is not eligible for certification under section 303, or

(2) the law of a State is not approvable under section 3304 of the Federal Unemployment Tax Act,

then the amount available for crediting to such State's account shall, in lieu of being so credited, be credited to the Federal unemployment account as of the beginning of such July 1. If, during the fiscal year beginning on such July 1, the Secretary of Labor finds and certifies to the Secretary of the Treasury that such State is eligible for certification under section 303, that the law of such State is approvable under such section 3304 or both, the Secretary of the Treasury shall transfer such amount from the Federal unemployment account to the account of such State. If the Secretary of Labor does not so find and certify to the Secretary of the Treasury before the close of such fiscal year then the amount which was available for credit to such State's account as of July 1 of such fiscal year shall (as of the close of such fiscal year) become unrestricted as to use as part of the Federal unemployment account.

(c) (1) Amounts credited to the account of a State pursuant to subsection (a) shall, except as provided in paragraph (2), be used only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

(2) A State may, pursuant to a specific appropriation made by the legislative body of the State, use money withdrawn, from its account in the payment of expenses incurred by it for the administration of its unemployment compensation law and public employment offices if and only if—

(A) the purposes and amounts were specified in the law making the appropriation,

(B) the appropriation law did not authorize the expenditure of such money after the close of the two-year period which began on the date of enactment of the appropriation law,

(C) the money is withdrawn and the expenses are incurred after such date of enactment, and

(D) the appropriation law limits the total amount which may be so used during a fiscal year to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of such State pursuant to subsection (a) during such fiscal year and the four preceding fiscal years, exceeds (ii) the aggregate of the amounts used by the State pursuant to this paragraph and charged against the amounts credited to the account of such State during any of such five fiscal years.

For the purposes of subparagraph (D), amounts used by a State during any fiscal year shall be charged against equivalent amounts which were first credited and which have not previously been so charged; except that no amount used during any fiscal year may be charged against any amount credited during a fiscal year earlier than the fourth preceding fiscal year.

Unemployment Trust Fund

Sec. 904. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "Unemployment Trust Fund," hereinafter in this title called the "Fund." The Secretary of the Treasury is authorized and directed to receive and hold in the Fund all moneys deposited therein by a State agency from a State unemployment fund, or by the Railroad Retirement Board to the credit of the railroad unemployment insurance account, or otherwise deposited in or credited to the Fund or any account therein. Such deposit may be made directly with the Secretary of the Treasury or with any Federal Reserve bank or member bank of the Federal Reserve System designated by him for such purpose.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations of the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as of the end of the calendar month next preceding the date of such issue, borne by all interest-bearing obligations of the United States then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Obligations other than such special obligations may be acquired for the Fund only on such terms as to provide an investment yield not less than the yield which would be required in the case of special obligations if issued to the Fund upon the date of such acquisition. Advances to the Federal unemployment account pursuant to section 1202(c) shall not be invested.

(c) Any obligations acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(e) The Fund shall be invested as a single fund, but the Secretary of the Treasury shall maintain a separate book account for each State agency, the Federal unemployment account, and the railroad unemployment insurance account and shall credit quarterly on March 31, June 30, September 30, and December 31, of each year, to each account on the basis of the average daily balance of such account, a proportionate part of the earnings of the Fund for the quarter ending on such date. For the purpose of this subsection, the average daily balance shall be computed—

(1) In the case of any State account, by reducing (but not below zero) the amount in the account by the aggregate of the outstanding advances under section 1201 from the Federal unemployment account, and

(2) In the case of the Federal unemployment account, (A) by adding to the amount in the account the aggregate of the reductions under paragraph (1), and (B) by subtracting from the sum so obtained the aggregate of the outstanding advances from the Treasury to the account pursuant to section 1202(c).

(f) The Secretary of the Treasury is authorized and directed to pay out of the Fund to any State agency such amount as it may duly requisition, not exceeding the amount standing to the account of such State agency at the time of such payment. The Secretary of the Treasury is authorized and directed to make such payments out of the Fund as the Railroad Retirement Board may duly certify, not exceeding the amount standing to the railroad unemployment insurance account at the time of such payment.

(g) [Repealed.]

(h) There is hereby established in the Unemployment Trust Fund a Federal unemployment account. There is hereby authorized to be appropriated to such Federal unemployment account a sum equal to (1) the excess of taxes collected prior to July 1, 1946, under title IX of this Act or under the Federal Unemployment Tax Act, over the total unemployment administrative expenditures made prior to July 1, 1946, plus (2) the excess of taxes collected under the Federal Unemployment Tax Act after June 30, 1946, and prior to July 1, 1953, over the unemployment administrative expenditures made after June 30, 1946, and prior to July 1, 1953. As used in this subsection, the term "unemployment administrative expenditures" means expenditures for grants under title III of this Act, expenditures for the administration of that title by the Board or the Secretary of Labor, and expenditures for the administration of title IX of this Act, or of the Federal Unemployment Tax Act by the Department of the Treasury, the Board, or the Secretary of Labor. For the purposes of this subsection there shall be deducted from the total amount of taxes collected prior to July 1, 1943, under title IX of this Act, the sum of \$40,561,886.43 which was authorized to be appropriated by the Act of August 24, 1937 (50 Stat. 754) and the sum of \$18,451,846 which was authorized to be appropriated by section 11(b) of the Railroad Unemployment Insurance Act.

* * * * *

TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

Section 1201. (a) If—

(1) the balance in the unemployment fund of a State in the Unemployment Trust Fund at the close of September 30, 1953, or at the close of the last day in any ensuing calendar quarter, is less than the total compensation paid out under the unemployment compensation law of such State during the twelve-month period ending at the close of such day;

(2) the Governor of such State applies to the Secretary of Labor during the calendar quarter following such day for an advance under this subsection; and

(3) the Secretary of Labor finds that the conditions specified in paragraphs (1) and (2) have been met, the Secretary of Labor shall certify to the Secretary of the Treasury such amounts as may be specified in the application of the Governor, but the aggregate of the amounts so certified pursuant to any such application shall not exceed the highest total compensation paid out under the unemployment compensation law of such State during any one of the four calendar quarters preceding the quarter in which such application was made. For the purposes of this subsection, (A), the application shall be made on such forms, and shall contain such information and data (fiscal and otherwise) concerning the operation and administration of the State unemployment compensation law, as the Secretary of Labor deems necessary or relevant to the performance of his duties under this title, and (B) the term "compensation" means cash benefits payable to individuals with respect to their unemployment, exclusive of expenses of administration.

(b) The Secretary of the Treasury shall, prior to audit or settlement by the General Accounting Office, transfer from the Federal unemployment account to the account of any State in the Unemployment Trust Fund the amounts certified under subsection (a) by the Secretary of Labor (but not exceeding that portion of the balance in the Federal unemployment account at the time of such transfer which is not restricted as to use pursuant to section 903(b)). Any amount so transferred shall be an advance which shall be repaid (without interest) by the State to the Federal unemployment account in the manner provided in subsections (a) and (b) (1) of section 1202.

Sec. 1202. (a) The Governor of any State may at any time request that funds be transferred from the account of such State to the Federal unemployment account in repayment of part or all of any remaining balance of advances made to such State under section 1201. The Secretary of Labor shall certify to the Secretary of the Treasury the amount stated in such request; and the Secretary of the Treasury shall promptly transfer such amount.

(b)(1) There are hereby appropriated to the Unemployment Trust Fund for credit to the Federal unemployment account, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the amounts by which (A) 100 per centum of the additional tax received under the Federal Unemployment Tax Act by reason of the reduced credits provision of section 3302(c)(2) of such Act and covered into the Treasury, exceeds (B) the amounts appropriated by paragraph (2). Any amount so appropriated shall be credited against, and shall operate to reduce, the remaining balance of advances under section 1201 to the State with respect to which employers paid such additional tax.

(2) Whenever the amount of such additional tax paid, received, and covered into the Treasury exceeds the remaining balance of advances under section 1201 to the State, there is hereby appropriated to the Unemployment Trust Fund for credit to the account of such State out

of any moneys in the Treasury not otherwise appropriated, an amount equal to such excess.

(3) The amounts appropriated by paragraphs (1) and (2) shall be transferred at the close of the month in which the moneys were covered into the Treasury to the Unemployment Trust Fund for credit to the Federal unemployment account or to the account of the State, as the case may be, as of the first day of the succeeding month.

(c) There are hereby authorized to be appropriated to the Federal unemployment account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of this title.

Sec. 1203. When used in this title, the term "Governor" shall include the Commissioners of the District of Columbia.

* * * * *

TITLE XV—UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES AND THE EX-SERVICEMEN'S UNEMPLOYMENT COMPENSATION PROGRAM

Treatment of Accrued Annual Leave

Sec. 1505. For the purposes of this title, in the case of a Federal employee who is performing Federal service at the time of his separation from employment by the United States or any instrumentality thereof, (1) the Federal service of such employee shall be considered as continuing during the period, subsequent to such separation, with respect to which he is considered as having received payment of accumulated and current annual or vacation leave pursuant to any Federal law, and (2) subject to regulations of the Secretary concerning allocation over the period, such payment shall constitute Federal wages.

Provisions of Title II of the Social Security Act as in Effect Prior to the 1961 Amendments to the Social Security Act

Old-Age Insurance Benefits

Sec. 202. (a) Every individual who—

* * * * *

(2) has attained retirement age (as defined in section 216(a)), and

* * * * *

Wife's Insurance Benefits

(b) (1) The wife (as defined in section 216(b)) of an individual entitled to old-age or disability insurance benefits, if such wife—

* * * * *

(B) has attained retirement age or has in her care (individually or jointly with her husband) at the time of filing such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of her husband, and

(C) is not entitled to old-age disability insurance benefits, or is entitled to old-age or disability insurance benefits based on a primary insurance amount which is less than one-half of an old-age or disability insurance benefit of her husband, shall be entitled to a wife's insurance benefit for each month, beginning with the first month after August 1950 in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs; she dies, her husband dies, they are divorced a vinculo matrimonii, no child of her husband is entitled to a child's insurance benefit and she has not attained retirement age, she becomes entitled to an old-age or disability insurance benefit based on a primary insurance amount which is equal to or exceeds one-half of an old-age or disability insurance benefit of her husband, or her husband is not entitled to disability insurance benefits and is not entitled to old-age insurance benefits.

(2) Except as provided in subsection (q), such wife's insurance benefit for each month shall be equal to one-half of the old-age or disability insurance benefit of her husband for such month.

Husband's Insurance Benefits

(c) (1) The husband (as defined in section 216(f)) of a currently insured individual (as defined in section 214(b)) entitled to old-age or disability insurance benefits, if such husband—

*	*	*	*	*	*	*
(B) has attained retirement age,						
*	*	*	*	*	*	*

(D) is not entitled to old-age or disability insurance benefits, or is entitled to old-age or disability insurance benefits each of which is less than one-half of the primary insurance amount of his wife, shall be entitled to a husband's insurance benefit for each month, beginning with the first month after August 1950 in which he becomes so entitled to such insurance benefits and ending with the month preceding the month in which any of the following occurs: he dies, his wife dies, they are divorced a vinculo matrimonii, or he becomes entitled to an old-age or disability insurance benefit equal to or exceeding one-half of the primary insurance amount of his wife, or his wife is not entitled to disability insurance benefits and is not entitled to old-age insurance benefits.

(2) The requirement in paragraph (1) that the individual entitled to old-age or disability insurance benefits be a currently insured individual, and the provisions of subparagraph (C) of such paragraph, shall not be applicable in the case of any husband who—

(A) in the month prior to the month of his marriage to such individual was entitled to, or on application therefor and attainment of retirement age in such prior month would have been entitled to, benefits under subsection (f) or (h); or

*	*	*	*	*	*	*
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(3) Such husband's insurance benefit for each month shall be equal to one-half of the primary insurance amount of his wife for such month.

* * * * *

Widow's Insurance Benefits

(e) (1) The widow (as defined in section 216(c)) of an individual who died a fully insured individual, if such widow—

* * * * *

(B) has attained retirement age,

(C) (i) has filed application for widow's insurance benefit, or was entitled, after attainment of retirement age, to wife's insurance benefits, on the basis of the wages and self-employment income of such individual, for the month preceding the month in which he died, or

(ii) was entitled, on the basis of such wages and self-employment income, to mother's insurance benefits for the month preceding the month in which she attained retirement age, and

(D) is not entitled to old-age insurance benefits or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of her deceased husband, shall be entitled to a widow's insurance benefit for each month, beginning with the first month after August 1950 in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: she remarries, dies, or becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of her deceased husband.

(2) Such widow's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of her deceased husband.

* * * * *

(f) (1) The widower (as defined in section 216(g)) of an individual who died a fully and currently insured individual, if such widower—

* * * * *

(B) has attained retirement age,

* * * * *

(E) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of his deceased wife, shall be entitled to a widower's insurance benefit for each month, beginning with the first month after August 1950 in which he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: he remarries, dies, or becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of his deceased wife.

(2) The requirement in paragraph (1) that the deceased fully insured individual also be a currently insured individual, and the provisions of subparagraph (D) of such paragraph, shall not be applicable in the case of any individual who—

(A) in the month prior to the month of his marriage to such individual was entitled to, or on application therefor and attainment of retirement age in such prior month would have been entitled to, benefits under this subsection or subsection (h); or

* * * * *

(3) Such widower's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of his deceased wife.

* * * * *

Parent's Insurance Benefits

(h)(1) Every parent (as defined in this subsection) of an individual who died a fully insured individual if such parent—

(A) has attained retirement age,

* * * * *

(D) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such deceased individual, and

(E) has filed application for parent's insurance benefits, shall be entitled to a parent's insurance benefit for each month beginning with the first month after August 1950 in which such parent becomes so entitled to such parent's insurance benefits and ending with the month preceding the first month in which any of the following occurs; such parent dies, marries, or becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual.

(2) Such parent's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

* * * * *

Application for Monthly Benefits

(j) * * *

(3) Notwithstanding the provisions of paragraph (1), a woman may, at her option, waive entitlement to old-age insurance benefits or wife's insurance benefits for any one or more consecutive months which occur—

(A) after the month before the month in which she attains the age of sixty-two,

(B) prior to the month in which she attains the age of sixty-five, and

(C) prior to the month in which she files application for such benefits;

and, in such case, she shall not be considered as entitled to such benefits for any such month or months before she filed such application. A woman shall be deemed to have waived such entitlement for any such

month for which such benefit would, under the second sentence of paragraph (1), be reduced to zero.

* * * * *

Adjustment of Old-Age and Wife's Insurance Benefit Amounts in Accordance With Age of Female Beneficiary

(q) (1) The old-age insurance benefit of any woman for any month prior to the month in which she attains the age of sixty-five shall be reduced by—

(A) $\frac{5}{9}$ of 1 per centum, multiplied by

(B) the number equal to the number of months in the period beginning with the first day of the first month for which she is entitled to an old-age insurance benefit and ending with the last day of the month before the month in which she would attain the age of sixty-five.

(2) The wife's insurance benefit of any wife for any month after the month preceding the month in which she attains the age of sixty-two and prior to the month in which she attains the age of sixty-five shall be reduced by—

(A) $\frac{25}{6}$ of 1 per centum, multiplied by

(B) the number equal to the number of months in the period beginning with the first day of the first month for which she is entitled to such wife's insurance benefit and ending with the last day of the month before the month in which she would attain the age of sixty-five except that in no event shall such period start earlier than the first day of the month in which she attains the age of sixty-two.

The preceding provisions of this paragraph shall not apply to the benefit for any month in which such wife has in her care (individually or jointly with the individual on whose wages and self-employment income such wife's insurance benefit is based) a child entitled to child's insurance benefits on the basis of such wages and self-employment income. With respect to any month in the period specified in clause (B) of the first sentence, if such wife does not have in such month such a child in her care (individually or jointly with such individual), she shall be deemed to have such a child in her care in such month for the purposes of the preceding sentence unless there is in effect for such month a certificate filed by her with the Secretary, in accordance with regulations prescribed by him, in which she elects to receive wife's insurance benefits reduced as provided in this subsection. Any certificate filed pursuant to the preceding sentence shall be effective for purposes of such sentence—

(i) for the month in which it is filed, and for any month thereafter, if in such month she does not have such a child in her care (individually or jointly with such individual), and

(ii) for the period of one or more consecutive months (not exceeding twelve) immediately preceding the month in which such certificate is filed which is designated by her (not including as part of such period any month in which she had such a child in her care (individually or jointly with such individual)).

If such a certificate is filed, the period referred to in clause (B) of the first sentence of this paragraph shall commence with the first day of the first month (i) for which she is entitled to a wife's insurance benefit, (ii) which occurs after the month preceding the month in which she attained the age of sixty-two, and (iii) for which such certificate is effective.

(3) In the case of any woman who is entitled to an old-age insurance benefit to which paragraph (1) is applicable and who, for the first month for which she is so entitled (but not for any prior month) or for any later month occurring before the month in which she attains the age of sixty-five, is entitled to a wife's insurance benefit to which paragraph (2) is applicable, the amount of such wife's insurance benefit for any month prior to the month in which she attains the age of sixty-five shall, in lieu of the reduction provided in paragraph (2), be reduced by the sum of—

(A) an amount equal to the amount by which such old-age insurance benefit for such month is reduced under paragraph (1), plus

(B) an amount equal to—

(i) the number equal to the number of months specified in clause (B) of paragraph (2), multiplied by

(ii) $25\frac{5}{36}$ of 1 per centum, and further multiplied by

(iii) the excess of such wife's insurance benefit prior to reduction under this subsection over the old-age insurance benefit prior to reduction under this subsection.

(4) In the case of any woman who is or was entitled to a wife's insurance benefit to which paragraph (2) is applicable and who, for any month after the first month for which she is or was so entitled (but not for such first month or any earlier month) occurring before the month in which she attains the age of sixty-five, is entitled to an old-age insurance benefit, the amount of such old-age insurance benefit for any month prior to the month in which she attains the age of sixty-five shall, in lieu of the reduction provided in paragraph (1), be reduced by the sum of—

(A) an amount equal to the amount by which such wife's insurance benefit is reduced under paragraph (2) for such month (or, if she is not entitled to a wife's insurance benefit for such month, by an amount equal to the amount by which such benefit was reduced for the last month for which she was entitled thereto), plus

(B) if the old-age insurance benefit for such month prior to reduction under this subsection exceeds such wife's insurance benefit prior to reduction under this subsection, an amount equal to—

(i) the number equal to the number of months specified in clause (B) of paragraph (1), multiplied by

(ii) $5\frac{1}{9}$ of 1 per centum, and further multiplied by

(iii) the excess of such old-age insurance benefit over such wife's insurance benefit.

(5) In the case of any woman who is entitled to an old-age insurance benefit for the month in which she attains the age of sixty-five or any month thereafter, such benefit for such month shall, if she was also

entitled to such benefit for any one or more months prior to the month in which she attained the age of sixty-five and such benefit for any such prior month was reduced under paragraph (1) or (4), be reduced as provided in such paragraph, except that there shall be subtracted, from the number specified in clause (B) of such paragraph—

(A) the number equal to the number of months for which such benefit was reduced under such paragraph, but for which such benefit was subject to deductions under section 203(b) or paragraph (1) of section 203(c),

and except that, in the case of any such benefit reduced under paragraph (4), there also shall be subtracted from the number specified in clause (B) of paragraph (2), for the purpose of computing the amount referred to in clause (A) of paragraph (4)—

(B) the number equal to the number of months for which the wife's insurance benefit was reduced under such paragraph (2), but for which such benefit was subject to deductions under section 203(b), under section 203(c)(1), under section 203(d)(1), or under section 222(b),

(C) the number equal to the number of months occurring after the first month for which such wife's insurance benefit was reduced under such paragraph (2) in which she had in her care (individually or jointly with the individual on whose wages and self-employment income such benefit is based) a child of such individual entitled to child's insurance benefits, and

(D) the number equal to the number of months for which such wife's insurance benefit was reduced under such paragraph (2), but in or after which her entitlement to wife's insurance benefits was terminated because her husband ceased to be under a disability, not including in such number of months any month after such termination in which she was entitled to wife's insurance benefits.

Such subtraction shall be made only if the total of such months specified in clauses (A), (B), and (D) of the preceding sentence is not less than three. For purposes of clauses (B) and (C) of this paragraph, a wife's insurance benefit shall not be considered terminated for any reason prior to the month in which she attains the age of sixty-five.

(6) In the case of any woman who is entitled to a wife's insurance benefit for the month in which she attains the age of sixty-five or any month thereafter, such benefit for such month shall, if she was also entitled to such benefit for any one or more months prior to the month in which she attained the age of sixty-five and such benefit for any such prior month was reduced under paragraph (2) or (3), be reduced as provided in such paragraph, except that there shall be subtracted from the number specified in clause (B) of such paragraph—

(A) the number equal to the number of months for which such benefit was reduced under such paragraph, but for which such benefit was subject to deductions under section 203(b), under section 203(c)(1), under section 203(d)(1) or under section 222(b),

(B) the number equal to the number of months, occurring after the first month for which such benefit was reduced under such paragraph, in which she had in her care (individually or jointly with the individual on whose wages and self-employment income such benefit is based) a child of such individual entitled to child's insurance benefits, and

(C) the number equal to the number of months for which such benefit was reduced under such paragraph, but in or after which her entitlement to wife's insurance benefits was terminated because her husband ceased to be under a disability, not including in such number of months any month after such termination in which she was entitled to wife's insurance benefits,

and except that, in the case of any such benefit reduced under paragraph (3), there also shall be subtracted from the number specified in clause (B) of paragraph (1), for the purpose of computing the amount referred to in clause (A) of paragraph (3) and—

(D) the number equal to the number of months for which the old-age insurance benefit was reduced under such paragraph (1) but for which such benefit was subject to deductions under section 203(b), or paragraph (1) of section 203(c).

Such subtraction shall be made only if the total of such months specified in clauses (A), (B), (C), and (D) of the preceding sentence is not less than three.

(7) In the case of a woman who is entitled to an old-age insurance benefit to which paragraph (5) is applicable and who, for the month in which she attains the age of sixty-five (but not for any prior month) or for any later month, is entitled to a wife's insurance benefit, the amount of such wife's insurance benefit for any month shall be reduced by an amount equal to the amount by which the old-age insurance benefit is reduced under paragraph (5) for such month.

(8) In the case of a woman who is or was entitled to a wife's insurance benefit to which paragraph (2) was applicable and who, for the month in which she attains the age of sixty-five (but not for any prior month) or for any later month, is entitled to an old-age insurance benefit, the amount of such old-age insurance benefit for any month shall be reduced by an amount equal to the amount by which the wife's insurance benefit is reduced under paragraph (6) for such month (or, if she is not entitled to a wife's insurance benefit for such month, by (i) an amount equal to the amount by which such benefit for the last month for which she was entitled thereto was reduced, or (ii) if smaller, an amount equal to the amount by which such benefit would have been reduced under paragraph (6) for the month in which she attained the age of sixty-five if entitlement to such benefit had not terminated before such month).

(9) The preceding paragraphs shall be applied to old-age insurance benefits and wife's insurance benefits after reduction under section 203(a) and application of section 215(g). If the amount of any reduction computed under paragraph (1), under paragraph (2) un-

der clause (A) or clause (B) of paragraph (3), or under clause (A) or clause (B) of paragraph (4) is not a multiple of \$0.10, it shall be reduced to the next lower multiple of \$0.10.

Presumed Filing of Application by Woman Eligible for Old-Age and Wife's Insurance Benefits

(r) Any woman who becomes entitled to an old-age insurance benefit for any month prior to the month in which she attains the age of sixty-five and who is eligible for a wife's insurance benefit for the same month shall be deemed to have filed an application in such month for wife's insurance benefits. Any woman who becomes entitled to a wife's insurance benefit for any month prior to the month in which she attains the age of sixty-five and who is eligible for an old-age insurance benefit for the same month shall be deemed, unless she has in such month a child in her care (individually or jointly with the individual on whose wages and self-employment income her wife's insurance benefits are based) a child entitled to child's insurance benefits on the basis of such wages and self-employment income, to have filed an application in such month for old-age insurance benefits. For purposes of this subsection an individual shall be deemed eligible for a benefit for a month if, upon filing application therefor in such month, she would have been entitled to such benefit for such month.

Female Disability Insurance Beneficiary

(s)(1) If any woman becomes entitled to a widow's insurance benefit or parent's insurance benefit for a month before the month in which she attains the age of sixty-five, or becomes entitled to an old-age insurance benefit or wife's insurance benefit for a month before the month in which she attains the age of sixty-five which is reduced under the provisions of subsection (q), such individual may not thereafter become entitled to disability insurance benefits under this title.

(2) If a woman would, but for the provisions of subsection (k) (2) (B), be entitled for any month to a disability insurance benefit and to a wife's insurance benefit, subsection (q) shall be applicable to such wife's insurance benefit for such month only to the extent it exceeds such disability insurance benefit for such month.

(3) The entitlement of any woman to disability insurance benefits shall terminate with the month before the month in which she becomes entitled to old-age insurance benefits.

* * * * *

Months to Which Earnings Are Charged

* * * * *

Sec. 203. (f) (3) For the purposes of paragraph (1) and subsection (h), an individual's excess earnings for a taxable year shall be his earnings for such year in excess of the product of 100 multiplied by

the number of months in such year, except that of the first \$300 of such excess (or all of such excess if it is less than \$300), an amount equal to one-half thereof shall not be included. The excess earnings as derived under the preceding sentence, if not a multiple of \$1, shall be reduced to the next lower multiple of \$1.

* * * * *

Sec. 209. For the purposes of this title, the term "wages" means remuneration paid prior to 1951 which was wages for the purposes of this title under the law applicable to the payment of such remuneration, and remuneration paid after 1950 for employment, including the cash value of all remuneration paid in any medium other than cash; except that, in the case of remuneration paid after 1950, such term shall not include—

* * * * *

(i) Any payment (other than vacation or sick pay) made to an employee after the month in which he attains retirement age (as defined in section 216 (a)), if he did not work for the employer in the period for which such payment is made. As used in this subsection, the term "sick pay" includes remuneration for service in the employ of a State, a political subdivision (as defined in section 218(b)(2)) of a State, or an instrumentality of two or more States, paid to an employee thereof for a period during which he was absent from work because of sickness, or

* * * * *

Definitions

Sec. 213. (a) For the purpose of this title—

* * * * *

(2) * * *

If, in the case of any individual who has attained retirement age or died or is under a disability and who has been paid wages for agricultural labor in a calendar year after 1954, the requirements for insured status in subsection (a) or (b) of section 214, the requirements for entitlement to a computation or recomputation of his primary insurance amount, or the requirements of paragraph (3) of section 216(i) are not met after assignment of quarters of coverage to quarters in such year as provided in clause (iv) of the preceding sentence, but would be met if such quarters of coverage were assigned to different quarters in such year, then such quarters of coverage shall instead be assigned, for purposes only of determining compliance with such requirements, to such different quarters. If, in the case of an individual who did not die prior to January 1, 1955, and who attained retirement age or died before July 1, 1957, the requirements for insured status in section 214(a)(3) are not met because of his having too few quarters of coverage but would be met if his quarters of coverage

in the first calendar year in which he had any covered employment had been determined on the basis of the period during which wages were earned rather than on the basis of the period during which wages were paid (any such wages paid that are reallocated on an earned basis shall not be used in determining quarters of coverage for subsequent calendar years), then upon application filed by the individual or his survivors and satisfactory proof of his record of wages earned being furnished by such individual or his survivors, the quarters of coverage in such calendar year may be determined on the basis of the periods during which wages were earned.

* * * * *

Insured Status for Purposes of Old-Age and Survivors Insurance Benefits

Sec. 214. For the purposes of this title—

Fully Insured Individual

(a) The term “fully insured individual” means any individual who had not less than—

(1) one quarter of coverage (whenever acquired) for each three of the quarters elapsing—

(A) after (i) December 31, 1950, or (ii) if later, December 31 of the year in which he attained the age of twenty-one, and

(B) prior to (i) the year in which he died, or (ii) if earlier, the year in which he attained retirement age, except that in no case shall an individual be a fully insured individual unless he has at least six quarters of coverage; or

(2) forty quarters of coverage; or

(3) in the case of an individual who died prior to 1951, six quarters of coverage;

not counting as an elapsed quarter for purposes of paragraph (1) any quarter any part of which was included in a period of disability (as defined in section 216(i)) unless such quarter was a quarter of coverage. When the number of elapsed quarters referred to in paragraph (1) is not a multiple of three, such number shall, for purposes of such paragraph, be reduced to the next lower multiple of three.

* * * * *

Computation of Primary Insurance Amount

Sec. 215. For the purposes of this title—

(a) Subject to the conditions specified in subsections (b), (c), and (d) of this section, the primary insurance amount of an insured individual shall be whichever of the following is the largest:

* * * * *

(4) In the case of an individual who was entitled to a disability insurance benefit for the month before the month in which he became entitled to old-age insurance benefits or died, the amount in column IV which is equal to his disability insurance benefit.

* * * * * * *
TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS

I (Primary insurance benefit under 1939 act, as modified)		II (Primary insurance amount under 1954 act)		III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—		Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—	At least—	But not more than—	At least—	But not more than—		
-----	\$10.00	-----	\$30.00	-----	\$54	\$33	\$53.00
\$10.01	10.48	\$30.10	31.00	\$55	56	34	54.00
10.49	11.00	31.10	32.00	57	58	35	55.00
11.01	11.48	32.10	33.00	59	60	36	56.00
11.49	12.00	33.10	34.00	61	61	37	57.00
12.01	12.48	34.10	35.00	62	63	38	58.00
12.49	13.00	35.10	36.00	64	65	39	59.00
13.01	13.48	36.10	37.00	66	67	40	60.00
13.49	14.00	37.10	38.00	68	69	41	61.50

* * * * * * *

(b) * * *

(3) For the purposes of paragraph (2), an individual's "elapsed years" shall be the number of calendar years—

(A) after (i) December 31, 1950, or (ii) if later, December 31 of the year in which he attained the age of twenty-one, and

(B) prior to (i) the year in which he died, or (ii) if earlier, the first year after December 31, 1960, in which he both was fully insured and had attained retirement age.

* * * * * * *

Sec. 216. For the purposes of this title—

Retirement Age

(a) The term "retirement age" means—

(1) in the case of a man, age sixty-five, or

(2) in the case of a woman, age sixty-two.

Wife

(b) The term "wife" means the wife of an individual, but only if she (1) is the mother of his son or daughter, (2) was married to him for a period of not less than one year immediately preceding the day on which her application is filed, or (3) in the month prior to the month of her marriage to him (A) was entitled to, or on application therefor and attainment of retirement age in such prior month would have been entitled to benefits under subsection (e) or (h) of

section 202, or (B) had attained age eighteen and was entitled to, or on application therefor would have been entitled to, benefits under subsection (d) of such section.

Widow

(c) The term "widow" (except when used in section 202(i)) means the surviving wife of an individual, but only if (1) she is the mother of his son or daughter, (2) she legally adopted his son or daughter while she was married to him and while such son or daughter was under the age of eighteen, (3) he legally adopted her son or daughter while she was married to him and while such son or daughter was under the age of eighteen, (4) she was married to him at the time both of them legally adopted a child under the age of eighteen, (5) she was married to him for a period of not less than one year immediately prior to the day on which he died, or (6) in the month prior to the month of her marriage to him (A) she was entitled to, or on application therefor and attainment of retirement age in such prior month would have been entitled to, benefits under subsection (e) or (h) of section 202, or (B) she had attained age eighteen and was entitled to, or on application therefor would have been entitled to, benefits under subsection (d) of such section.

Former Wife Divorced

(d) The term "former wife divorced" means a woman divorced from an individual, but only if (1) she is the mother of his son or daughter, (2) she legally adopted his son or daughter while she was married to him and while such son or daughter was under the age of eighteen, (3) he legally adopted her son or daughter while she was married to him and while such son or daughter was under the age of eighteen, or (4) she was married to him at the time both of them legally adopted a child under the age of eighteen.

* * * * *

Husband

(f) The term "husband" mean the husband of an individual, but only if (1) he is the father of her son or daughter, (2) he was married to her for a period of not less than one year immediately preceding the day on which his application is filed, or (3) in the month prior to the month of his marriage to her (A) he was entitled to, or on application therefor and attainment of retirement age in such prior month would have been entitled to, benefits under subsection (f) or (h) of section 202, or (B) he had attained age eighteen and was entitled to, or on application therefor would have been entitled to, benefits under subsection (d) of such section.

Widower

(g) The term "widower" (except when used in section 202(i)) means the surviving husband of an individual, but only if (1) he is the father of her son or daughter, (2) he legally adopted her son or daughter while he was married to her and while such son or daughter was under the age of eighteen, (3) she legally adopted his son or

daughter while he was married to her and while such son or daughter was under the age of eighteen, (4) he was married to her at the time both of them legally adopted a child under the age of eighteen, (5) he was married to her for a period not less than one year immediately prior to the day on which she died, or (6) in the month before the month of his marriage to her (A) he was entitled to, or on application therefor and attainment of retirement age in such prior month would have been entitled to, benefits under subsection (f) or (h) of section 202, or (B) he had attained age eighteen and was entitled to or on application therefor would have been entitled to, benefits under subsection (d) or such section.

* * * * *

Disability; Period of Disability

(i) * * *

* * * * *

(2) The term "period of disability" means a continuous period (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)), but only if such period is of not less than six full calendar months' duration or such individual was entitled to benefits under section 223 for one or more months in such period. No such period shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination with respect to such period; and no such period shall begin as to any individual after such individual attains the age of sixty-five. Except as provided in paragraph (4), a period of disability shall begin—

(A) if the individual satisfies the requirements of paragraph (3) on such day,

(i) on the day the disability began, or

(ii) on the first day of the eighteen-month period which ends with the day before the day on which the individual files such application,

whichever occurs later;

(B) if such individual does not satisfy the requirements of paragraph (3) on the day referred to in subparagraph (A), then on the first day of the first quarter thereafter in which he satisfies such requirements.

A period of disability shall end with the close of the last day of the month preceding whichever of the following months is the earlier: the month in which the individual attains age sixty-five or the third month following the month in which the disability ceases. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph), or, in any case in which clause (ii) of section 223(a)(1) is applicable, more than six months before the first month for which such applicant becomes entitled to benefits under section 223, shall be accepted as an application for purposes of this paragraph, and no such application which is filed prior to January 1, 1955, shall be accepted. Any application for a disability determination which is filed within such three months'

period or six months' period shall be deemed to have been filed on such first day or in such first month, as the case may be.

(3) The requirements referred to in clauses (A) and (B) of paragraphs (2) and (4) are satisfied by an individual with respect to any quarter only if—

(A) he would have been a fully insured individual (as defined in section 214) had he attained retirement age and filed application for benefits under section 202(a) on the first day of such quarter; and

(B) he had not less than twenty quarters of coverage during the forty-quarter period which ends with such quarter, not counting as part of such forty-quarter period any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage;

except that the provisions of subparagraph (A) of this paragraph shall not apply in the case of any individual with respect to whom a period of disability would, but for such subparagraph, begin prior to 1951.

* * * * *

Sec. 218. * * *

Positions Covered by Retirement Systems

(d) (6) (F) In the case of any retirement system divided pursuant to subparagraph (C), the position of any member of the division or part composed of positions of members who do not desire coverage may be transferred to the separate retirement system composed of positions of members who desire such coverage if it is so provided in a modification of such agreement which is mailed, or delivered by other means, to the Secretary prior to 1960 or, if later, the expiration of one year after the date on which such agreement, or the modification thereof making the agreement applicable to such separate retirement system, as the case may be, is agreed to, but only if, prior to such modification or such later modification, as the case may be, the individual occupying such position files with the State a written request for such transfer.

* * * * *

Disability Insurance Benefits

Sec. 223. (a) (1) Every individual who—

* * * * *

shall be entitled to a disability insurance benefit (i) for each month beginning with the first month after his waiting period (as defined in subsection (c) (3)) in which he becomes so entitled to such insurance benefits, or (ii) for each month beginning with the first month during all of which he is under a disability and in which he becomes so entitled to such insurance benefits, but only if he was entitled to disability insurance benefits which terminated, or had a period of disability (as defined in section 216(i)) which ceased, within the sixty-month period preceding the first month in which he is under such

disability, and ending with the month preceding whichever of the following months is the earliest: the month in which he dies, the month in which he attains the age of sixty-five, or the third month following the month in which his disability ceases.

(2) Such individual's disability insurance benefit for any month shall be equal to his primary insurance amount for such month determined under section 215 as though he had attained retirement age in—

(A) the first month of his waiting period, or

(B) in any case in which clause (ii) of paragraph (1) of this subsection is applicable, the first month for which he becomes entitled to such disability insurance benefits,

and as though he had become entitled to old-age insurance benefits in the month in which he filed his application for disability insurance benefits. For the purposes of the preceding sentence, in the case of a woman who both was fully insured and had attained retirement age in or before the first month referred to in subparagraph (A) or (B) of such sentence, as the case may be, the elapsed years referred to in section 215 (b) (3) shall not include the first year in which she both was fully insured and had attained retirement age, or any year thereafter.

* * * * *

Provisions of the Social Security Act as in Effect Prior to the 1962 Amendments to the Social Security Act

Payment to States

Sec. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has a plan approved under this title, for each quarter, beginning with the quarter commencing October 1, 1960—

(1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$31 multiplied by the total number of recipients of old-age assistance for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received old-age assistance in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as old-age assistance in the form of medical or any other type of remedial care); plus

(B) the Federal percentage (as defined in section 1101(a) (8)) of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as

exceeds the product of \$66 multiplied by the total number of such recipients of old-age assistance for such month; plus

(C) the larger of the following: (i) the Federal medical percentage (as defined in section 6(c)) of the amount by which such expenditures exceed the maximum which may be counted under clause (B), not counting so much of any expenditure with respect to any month as exceeds (I) the product of \$81 multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of \$66 multiplied by such total number of such recipients, or (ii), 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of \$15 multiplied by the total number of such recipients of old-age assistance for such month; and

(2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to—

(A) one-half of the total of the sums expended during such quarter as old-age assistance under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$35.50 multiplied by the total number of recipients of old-age assistance for such month; plus

(B) the larger of the following amounts: (i) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds (I) the product of \$43 multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of \$35.50 multiplied by the total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of \$7.50 multiplied by the total number of such recipients of old-age assistance for such month; and

* * * * *

(4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency

administering the State plan in the political subdivision) to applicants for and recipients of old-age assistance to help them attain self-care.

* * * * *

Payments to States

Sec. 403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing October 1, 1958, (1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

(A) fourteen-seventeenths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$17 multiplied by the total number of recipients of aid to dependent children for such month (which total number, for purposes of this subsection, means (i) the number of individuals with respect to whom aid to dependent children in the form of money payments is paid for such months, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as aid to dependent children in the form of medical or any other type of remedial care); plus

(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$30 multiplied by the total number of recipients of aid to dependent children for such month;

and (2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as aid to dependent children under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$18 multiplied by the total number of recipients of aid to dependent children for such month; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to relatives with whom such children (applying for or receiving such aid) are living, in order to help such relatives attain self-support or self-care, or which are provided to maintain and strengthen family life for such children.

* * * * *

Allotments to States

Sec. 522. (a) The sums appropriated for each fiscal year under section 521 shall be allotted by the Secretary for use by cooperating State public-welfare agencies which have plans developed jointly by the State agency and the Secretary, as follows: He shall allot to each State \$50,000 or, if greater, such portion of \$70,000 as the amount appropriated under section 521 for such year bears to the amount authorized to be so appropriated; and he shall allot to each State an amount which bears the same ratio to the remainder of the sums so appropriated for such year as the product of (1) the population of such State under the age of 21 and (2) the allotment percentage of such State (as determined under section 524) bears to the sum of the corresponding products of all the States.

* * * * * *

State Plans for Aid to the Blind

Sec. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing October 1, 1958, (1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof—

(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of \$31 multiplied by the total number of recipients of aid to the blind for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received aid to the blind in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as aid to the blind in the form of medical or any other type of remedial care); plus

(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$66 multiplied by the total number of such recipients of aid to the blind for such month; and (2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$35.50 multiplied by the total number of recipients of aid to the blind for such month; and (3) in the case of any State, an amount equal to one-half of the total sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and

efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of aid to the blind to help them attain self-support or self-care.

* * * * *

Limitation on Payments to Puerto Rico, the Virgin Islands, and Guam

Sec. 1108. The total amount certified by the Secretary of Health, Education, and Welfare under title I (other than section 3(a)(3) thereof), IV, X, and XIV, for payment to Puerto Rico with respect to any fiscal year shall not exceed \$9,125,000 of which \$625,000 may be used only for payments certified with respect to section 3(a)(2)(B); the total amount certified by the Secretary under such titles for payment to the Virgin Islands with respect to any fiscal year shall not exceed \$318,750, of which \$18,750 may be used only for payments certified in respect to section 3(a)(2)(B); and the total amount certified by the Secretary under such titles for payment to Guam with respect to any fiscal year shall not exceed \$425,000, of which \$25,000 may be used only for payments certified in respect to section 3(a)(2)(B). Notwithstanding the provisions of sections 502(a)(2), 512(a)(2), and 522(a), and until such time as Congress may by appropriation or other law otherwise provide, the Secretary shall, in lieu of the \$60,000, \$60,000, and \$60,000, respectively, specified in such sections, allot such smaller amounts to Guam as he may deem appropriate.

* * * * *

Payments to States

Sec. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1958, (1) in the case of any State other than Puerto Rico, the Virgin Islands, and Guam, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof)—

(A) four-fifths of such expenditures, (not counting so much of any expenditure with respect to any month as exceeds the product of \$31 multiplied by the total number of recipients of aid to the permanently and totally disabled for such month (which total number, for purposes of this subsection, means (i) the number of individuals who received aid to the permanently and totally disabled in the form of money payments for such month, plus (ii) the number of other individuals with respect to whom expenditures were made in such month as aid to the permanently and totally disabled in the form of medical or any other type of remedial care); plus

(B) the Federal percentage of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$66 multiplied by the total number of such recipients of aid to the permanently and totally disabled for such month;

and (2) in the case of Puerto Rico, the Virgin Islands, and Guam, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan (including expenditures for insurance premiums for medical or any other type of remedial care or the cost thereof), not counting so much of any expenditure with respect to any month as exceeds \$35.50 multiplied by the total number of recipients of aid to the permanently and totally disabled for such month; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of aid to the permanently and totally disabled to help them attain self-support or self-care.

Provisions of the Social Security Act as in Effect Prior to the 1965 Amendments to the Social Security Act

TITLE I—GRANTS TO STATES FOR OLD-AGE ASSISTANCE

Payment to States

Sec. 3. (a) (1) * * *

(B) the Federal percentage (as defined in section 1101(a)(8)) of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$70 multiplied by the total number of such recipients of old-age assistance for such month; plus

(C) the larger of the following; (i) the Federal medical percentage (as defined in section 6(c) of the amount by which such expenditures exceed the maximum which may be counted under clause (B), not counting so much of any expenditure with respect to any month as exceeds (I) the product of \$85 multiplied by the total number of such recipients of old-age assistance for such month, or (II) if smaller, the total expended as old-age assistance in the form of medical or any other type of remedial care with respect to such month plus the product of \$70 multiplied by such total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with

respect to any month as exceeds the product of \$15 multiplied by the total number of such recipients of old-age assistance for such month;²³

* * * * *

Definitions

Sec. 6. (a) For the purposes of this title, the term "old-age assistance" means money payments to, or (if provided in or after the third month before the month in which the recipient makes application for assistance) medical care in behalf of or any type of remedial care recognized under State law in behalf of, needy individuals who are sixty-five years of age or older, but does not include—

(1) any such payments to or care in behalf of any individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases, or

(2) any such payments to any individual who has been diagnosed as having tuberculosis or psychosis and is a patient in a medical institution as a result thereof, or

(3) any such care in behalf of any individual, who is a patient in a medical institution as a result of a diagnosis that he has tuberculosis or psychosis, with respect to any period after the individual has been a patient in such an institution as a result of such diagnosis, for forty-two days.

* * * * *

TITLE II—FEDERAL OLD-AGE BENEFITS

Federal Old-Age and Survivors Insurance Trust Fund and Federal Disability Insurance Trust Fund

Section 201. * * *

(g) (1) The Managing Trustee is directed to pay from the Trust Funds into the Treasury the amounts estimated by him and the Secretary of Health, Education, and Welfare which will be expended, out of moneys appropriated from the general funds in the Treasury, during a three-month period by the Department of Health, Education, and Welfare and the Treasury Department for the administration of titles II and VIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code of 1939, and chapters 2 and 21 of the Internal Revenue Code of 1954.²⁴ Such payments shall be covered into the Treasury as repayments to the account for reimbursement of expenses incurred in connection with the administration of titles II and VIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code of 1939, and chapters 2 and 21 of the Internal Revenue Code of 1954.²⁵ There are hereby authorized to be made available for expenditure, out of either or both of the Trust Funds, such amounts as the Congress may deem appropriate to pay the costs of administration of this title.

²³ See also sec. 9 of the Act of April 19, 1950, regarding additional payments which may be made in the case of assistance expenditures for Navajo and Hopi Indians.

²⁴ See pp. 389 and 399, vol. I.

²⁵ See pp. 389 and 399, vol. I.

After the close of each fiscal year, the Secretary of Health, Education, and Welfare shall analyze the costs of administration of this title incurred during such fiscal year in order to determine the portion of such costs which should have been borne by each of the Trust Funds and shall certify to the Managing Trustee the amount, if any, which should be transferred from one to the other of such Trust Funds in order to insure that each of the Trust Funds has borne its proper share of the costs of administration of this title incurred during such fiscal year. The Managing Trustee is authorized and directed to transfer any such amount from one to the other of such Trust Funds in accordance with any certification so made.

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Old-Age and Survivors Insurance Benefit Payments

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Wife's Insurance Benefits

Sec. 202. * * *

(b) (1) The wife (as defined in section 216(b)) of an individual entitled to old-age or disability insurance benefits, if such wife—

(A) has filed application for wife's insurance benefits,

(B) has attained age 62 or has in her care (individually or jointly with her husband) at the time of filing such application a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of her husband, and

(C) is not entitled to old-age or disability insurance benefits, or is entitled to old-age or disability insurance benefits based on a primary insurance amount which is less than one-half of the primary insurance amount of her husband,

shall be entitled to a wife's insurance benefit for each month, beginning with the first month after August 1950 in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: she dies, her husband dies, they are divorced a vinculo matrimonii, no child of her husband is entitled to a child's insurance benefit and she has not attained age 62, she becomes entitled to an old-age or disability insurance benefit based on a primary insurance amount which is equal to or exceeds one-half of the primary insurance amount of her husband, or her husband is not entitled to disability insurance benefits and is not entitled to old-age insurance benefits.

(2) Except as provided in subsection (q), such wife's insurance benefit for each month shall be equal to one-half of the primary insurance amount of her husband for such month.

* * * * *

Child's Insurance Benefits

(d) (1) Every child (as defined in section 216(e)) of an individual entitled to old-age or disability insurance benefits, or of an individual who dies a fully or currently insured individual if such child—

(A) has filed application for child's insurance benefits,

(B) at the time such application was filed was unmarried and either (i) had not attained the age of eighteen or (ii) was under

a disability (as defined in section 223(c)) which began before he attained the age of eighteen and

(C) was dependent upon such individual—

(i) if such individual is living, at the time such application was filed,

(ii) if such individual has died, at the time of such death, or

(iii) if such individual had a period of disability which continued until he became entitled to old-age or disability insurance benefits, or (if he has died) until the month of his death, at the beginning of such period of disability or at the time he became entitled to such benefits,

shall be entitled to a child's insurance benefit for each month, beginning with the first month after August 1950 in which such child becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: such child dies, marries, is adopted (except for adoption by a stepparent, grandparent, aunt, or uncle subsequent to the death of such fully or currently insured individual), or attains the age of eighteen and is not under a disability (as defined in section 223(c)) which began before he attained such age. Entitlement of any child to benefits under this subsection shall also end with the month preceding the third month following the month in which he ceases to be under a disability (as so defined) after the month in which he attains age eighteen. Entitlement of any child to benefits under this subsection on the basis of the wages and self-employment income of an individual entitled to disability insurance benefits shall also end with the month before the first month for which such individual is not entitled to such benefits unless such individual is, for such later month, entitled to old-age insurance benefits or unless he dies in such month. In the case of an individual entitled to disability insurance benefits, the provisions of clause (i) of subparagraph (C) of this paragraph shall not apply to a child of such individual unless he (A) is the natural child or stepchild of such individual (including such a child who was legally adopted by such individual) or (B) was legally adopted by such individual before the end of the twenty-four month period beginning with the month after the month in which such individual most recently became entitled to disability insurance benefits, but only if (i) proceedings for such adoption of the child had been instituted by such individual in or before the month in which began the period of disability of such individual which still exists at the time of such adoption or (ii) such adopted child was living with such individual in such month.

Widow's Insurance Benefits

(e)(1) The widow (as defined in section 216(c)) of an individual who died a fully insured individual, if such widow—

(A) has not remarried,

(B) has attained age 62,

(C)(i) has filed application for widow's insurance benefit, or was entitled, after attainment of age 62, to wife's insurance benefits, on the basis of the wages and self-employment income of such individual, for the month preceding the month in which he died, or

(ii) was entitled, on the basis of such wages and self-employment income, to mother's insurance benefits for the month preceding the month in which she attained age 62, and

(D) is not entitled to old-age insurance benefits or is entitled to old-age insurance benefits each of which is less than $82\frac{1}{2}$ percent of the primary insurance amount of her deceased husband,

shall be entitled to a widow's insurance benefit for each month, beginning with the first month after August 1950 in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: she remarries, dies, or becomes entitled to an old-age insurance benefit equal to or exceeding $82\frac{1}{2}$ percent of the primary insurance amount of her deceased husband.

(2) Such widow's insurance benefit for each month shall be equal to $82\frac{1}{2}$ percent of the primary insurance amount of her deceased husband.

(3) In the case of any widow of an individual—

(A) who marries another individual, and

(B) whose marriage to the individual referred to in subparagraph (A) is terminated by his death which occurs within one year after such marriage and he did not die a fully insured individual the marriage to the individual referred to in clause (A) shall, for the purposes of paragraph (1), be deemed not to have occurred. No benefits shall be payable under this subsection by reason of the preceding sentence for any month prior to whichever of the following is the latest: (i) the month in which the death referred to in subparagraph (B) of the preceding sentence occurs, (ii) the twelfth month before the month in which such widow files application for purposes of this paragraph, or (iii) November 1956.

(4) In the case of a widow who marries—

(A) an individual entitled to benefits under subsection (f) or (h) of this section, or

(B) an individual who has attained the age of eighteen and is entitled to benefits under subsection (d),

such widow's entitlement to benefits under this subsection shall, notwithstanding the provisions of paragraph (1), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under subsection (d), the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under subsection (d) unless he ceases to be so entitled by reason of his death.

* * * * *

Mother's Insurance Benefits

(g)(1) The widow and every former wife divorced (as defined in section 216(d)) of an individual who died a fully or currently insured individual if such widow or former wife divorced—

(A) has not remarried,

(B) is not entitled to a widow's insurance benefit,

(C) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits each of which is less than three-fourths of the primary insurance amount of such individual,

(D) has filed application for mother's insurance benefits, or was entitled to wife's insurance benefits on the basis of the wages and self-employment income of such individual for the month preceding the month in which he died,

(E) at the time of filing such application has in her care a child of such individual entitled to a child's insurance benefit, and

(F) in the case of a former wife divorced, was receiving from such individual (pursuant to agreement or court order) at least one-half of her support at the time of his death or, if such individual had a period of disability which did not end prior to the month in which he died, at the time such period began or at the time of such death, and the child referred to in subparagraph (E) is her son, daughter, or legally adopted child and the benefits referred to in such subparagraph are payable on the basis of such individual's wages and self-employment income,

shall be entitled to a mother's insurance benefit for each month, beginning with the first month after August 1950 in which she becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: no child of such deceased individual is entitled to a child's insurance benefit, such widow or former wife divorced becomes entitled to an old-age insurance benefit equal to or exceeding three-fourths of the primary insurance amount of such deceased individual, she becomes entitled to a widow's insurance benefit, she remarries, or she dies. Entitlement to such benefits shall also end, in the case of a former wife divorced, with the month immediately preceding the first month in which no son, daughter, or legally adopted child of such former wife divorced is entitled to a child's insurance benefit on the basis of the wages and self-employment income of such deceased individual.

(2) Such mother's insurance benefit for each month shall be equal to three-fourths of the primary insurance amount of such deceased individual.

(3) In the case of any widow or former wife divorced of an individual—

(A) who marries another individual, and

(B) whose marriage to the individual referred to in subparagraph (A) is terminated by his death but she is not, and upon filing application therefor in the month in which he died would not be, entitled to benefits for such month on the basis of his wages and self-employment income,

the marriage to the individual referred to in clause (A) shall, for the purpose of paragraph (1), be deemed not to have occurred. No benefits shall be payable under this subsection by reason of the preceding sentence for any month prior to whichever of the following is the latest: (i) the month in which the death referred to in subparagraph (B) of the preceding sentence occurs, (ii) the twelfth month before the month in which such widow or former wife divorced files application for purposes of this paragraph, or (iii) the month following the month in which this paragraph is enacted.

(4) In the case of a widow or former wife divorced who marries—

(A) an individual entitled to benefits under subsection (a), (f), or (h), or under section 223 (a), or

(B) an individual who has attained the age of eighteen and is entitled to benefits under subsection (d), the entitlement of such widow or former wife divorced to benefits under this subsection shall, notwithstanding the provisions of paragraph (1), not be terminated by reason of such marriage; except that, in the case of such a marriage to an individual entitled to benefits under section 223(a) or subsection (d) of this section, the preceding provisions of this paragraph shall not apply with respect to benefits for months after the last month for which such individual is entitled to such benefits under section 223(a) or subsection (d) of this section unless (i) he ceases to be so entitled by reason of his death, or (ii) in the case of an individual who was entitled to benefits under section 223(a), he is entitled, for the month following such last month, to benefits under subsection (a) of this section.

* * * * *

Application for Monthly Insurance Benefits

(j)(1) An individual who would have been entitled to a benefit under subsection (a), (b), (c), (d), (e), (f), (g), or (h) for any month after August 1950 had he filed application therefor prior to the end of such month shall be entitled to such benefit for such month if he files application therefor prior to the end of the twelfth month immediately succeeding such month. Any benefit for a month prior to the month in which application is filed shall be reduced, to any extent that may be necessary, so that it will not render erroneous any benefit which, before the filing of such application, the Secretary has certified for payment for such prior month.

(2) No application for any benefit under this section for any month after August 1950 which is filed prior to three months before the first month for which the applicant becomes entitled to such benefit shall be accepted as an application for the purposes of this section; and any application filed within such three months' period shall be deemed to have been filed in such first month.

* * * * *

Extension of Period for Filing Proof of Support and Applications for Lump-Sum Death Payment

(p) In any case in which there is a failure—

(1) to file proof of support under subparagraph (C) of subsection (c)(1), clause (i) or (ii) of subparagraph (D) of subsection (f)(1), or subparagraph B of subsection (h)(1), or under clause (B) of subsection (f)(1) of this section as in effect prior to the Social Security Act Amendments of 1950 within the period prescribed by such subparagraph or clause, or

(2) to file, in the case of a death after 1946, application for a lump-sum death payment under subsection (i), or under subsection (g) of this section as in effect prior to the Social Security Act Amendments of 1950, within the period prescribed by such subsection,

and it is shown to the satisfaction of the Secretary that there was good cause for failure to file such proof or application, as the case may be, within such period, such proof or application shall be deemed

to have been filed within such period if it is filed within two years following such period or within two years following August 1956, whichever is later. The determination of what constitutes good cause for purposes of this subsection shall be made in accordance with regulations of the Secretary.

Adjustment of Old-Age, Wife's, or Husband's Insurance Benefit Amounts in Accordance With Age of Beneficiary

(q) (1) If the first month for which an individual is entitled to an old-age, wife's, or husband's insurance benefit is a month before the month in which such individual attains age 65, the amount of such benefit for each month shall, subject to the succeeding paragraphs of this subsection, be reduced by—

(A) $\frac{5}{9}$ of 1 percent of such amount if such benefit is an old-age insurance benefit, or $\frac{25}{36}$ of 1 percent of such amount if such benefit is a wife's or husband's insurance benefit; multiplied by

(B) (i) the number of months in the reduction period for such benefit (determined under paragraph (5)), if such benefit is for a month before the month in which such individual attains age 65, or

(ii) the number of months in the adjusted reduction period for such benefit (determined under paragraph (6)), if such benefit is for the month in which such individual attains age 65 or for any other month thereafter.

(2) (A) If the first month for which an individual both is entitled to a wife's or husband's insurance benefit and has attained age 62 is a month for which such individual is also entitled to—

(i) an old-age insurance benefit (to which such individual was first entitled for a month before he attains age 65), or

(ii) a disability insurance benefit,
then in lieu of any reduction under paragraph (1) (but subject to the succeeding paragraphs of this subsection) such wife's or husband's insurance benefit for each month shall be reduced as provided in subparagraph (B), (C), or (D).

(B) For any month for which such individual is entitled to an old-age insurance benefit, such individual's wife's or husband's insurance benefit shall be reduced by the sum of—

(i) the amount by which such old-age insurance benefit is reduced under paragraph (1), and

(ii) the amount by which such wife's or husband's insurance benefit would be reduced under paragraph (1) if it were equal to the excess of such wife's or husband's insurance benefit (before reduction under this subsection) over such old-age insurance benefit (before reduction under this subsection).

(C) For any month for which such individual is entitled to a disability insurance benefit, such individual's wife's or husband's insurance benefit shall be reduced by the amount by which such benefit would be reduced under paragraph (1) if it were equal to the excess of such benefit (before reduction under this subsection) over such disability insurance benefit.

(D) For any month for which such individual is entitled neither to an old-age insurance benefit nor to a disability insurance benefit,

such individual's wife's or husband's insurance benefit shall be reduced by the amount by which it would be reduced under paragraph (1).

(3) If—

(A) an individual is or was entitled to a benefit subject to reduction under this subsection, and

(B) such benefit is increased by reason of an increase in the primary insurance amount of the individual on whose wages and self-employment income such benefit is based,

then the amount of the reduction of such benefit for each month shall be computed separately (under paragraph (1) or (2), whichever applies) for the portion of such benefit which constitutes such benefit before any increase described in subparagraph (B), and separately (under paragraph (1) or (2), whichever applies to the benefit being increased) for each such increase. For purposes of determining the amount of the reduction under paragraph (1) or (2) in any such increase, the reduction period and the adjusted reduction period shall be determined as if such increase were a separate benefit to which such individual was entitled for and after the first month for which such increase is effective.

(4) (A) No wife's insurance benefit shall be reduced under this subsection—

(i) for any month before the first month for which there is in effect a certificate filed by her with the Secretary, in accordance with regulations prescribed by him, in which she elects to receive wife's insurance benefits reduced as provided in this subsection, or

(ii) for any month in which she has in her care (individually or jointly with the person on whose wages and self-employment income her wife's insurance benefit is based) a child of such person entitled to child's insurance benefits.

(B) Any certificate described in subparagraph (A)(i) shall be effective for purposes of this subsection (and for purposes of preventing deductions under section 203(c)(2))—

(i) for the month in which it is filed and for any month thereafter, and

(ii) for months, in the period designated by the woman filing such certificate, of one or more consecutive months (not exceeding 12) immediately preceding the month in which such certificate is filed;

except that such certificate shall not be effective for any month before the month in which she attains age 62, nor shall it be effective for any month to which subparagraph (A)(ii) applies.

(C) If a woman does not have in her care a child described in subparagraph (A)(ii) in the first month for which she is entitled to a wife's insurance benefit, and if such first month is a month before the month in which she attains age 65, she shall be deemed to have filed in such first month the certificate described in subparagraph (A)(i).

(5) For purposes of this subsection, the "reduction period" for an individual's old-age, wife's, or husband's insurance benefit is the period—

(A) beginning—

(i) in the case of an old-age or husband's insurance benefit, with the first day of the first month for which such individual is entitled to such benefit, or

(ii) in the case of a wife's insurance benefit, with the first day of the first month for which a certificate described in paragraph (4) (A) (i) is effective, and

(B) ending with the last day of the month before the month in which such individual attains age 65.

(6) For purposes of this subsection the "adjusted reduction period" for an individual's old-age, wife's, or husband's insurance benefit is the reduction period prescribed by paragraph (5) for such benefit, excluding from such period—

(A) any month in which such benefit was subject to deductions under section 203(b), 203(c)(1), 203(d)(1), or 222(b),

(B) in the case of wife's insurance benefits, any month in which she had in her care (individually or jointly with the person on whose wages and self-employment income such benefit is based) a child of such person entitled to child's insurance benefits, and

(C) in the case of wife's or husband's insurance benefits, any month for which such individual was not entitled to such benefits because the spouse on whose wages and self-employment income such benefits were based ceased to be under a disability.

(7) This subsection shall be applied after reduction under section 203(a) and after application of section 215(g). If the amount of any reduction computed under paragraph (1) or (2) is not a multiple of \$0.10, it shall be reduced to the next lower multiple of \$0.10.

* * * * *

Reduction of Insurance Benefits

Maximum Benefits

Sec. 203. (a) Whenever the total of monthly benefits to which individuals are entitled under sections 202 and 223 for a month on the basis of the wages and self-employment income of an insured individual is greater than the amount appearing in column V of the table in section 215(a) on the line on which appears in column IV such insured individual's primary insurance amount, such total of benefits shall be reduced to such amount; except that—

(1) when any of such individuals so entitled would (but for the provisions of section 202(k)(2)(A)) be entitled to child's insurance benefits on the basis of the wages and self-employment income of one or more other insured individuals, such total of benefits shall not be reduced to less than the smaller of: (A) the sum of the maximum amounts of benefits payable on the basis of the wages and self-employment income of all such insured individuals, or (B) the last figure in column V of the table appearing in section 215(a), or

(2) when any of such individuals was entitled (without the application of section 202(j)(1) and section 223(b) to monthly benefits under section 202 or section 223 for December 1958, and the primary insurance amount of the insured individual on the

basis of whose wages and self-employment income such monthly benefits are payable is determined under the provisions of section 215(a) (2), then such total benefits shall not be reduced to less than the larger of—

(A) the amount determined under this subsection without regard to this paragraph, or

(B) the amount determined under this subsection as in effect prior to the enactment of the Social Security Amendments of 1958 or the amount determined under section 102 (h) of the Social Security Amendments of 1954, as the case may be, plus the excess of—

(i) the primary insurance amount of such insured individual in column IV of the table appearing in section 215(a), over

(ii) his primary insurance amount determined under section 215(c), or

(3) when any of such individuals is entitled (without the application of section 202(j) (1) and section 223(b)) to monthly benefits based on the wages and self-employment income of an insured individual with respect to whom a period of disability (as defined in section 216(i)) began prior to January 1959 and continued until—

(A) he became entitled to benefits under section 202 or 223, or

(B) he died, whichever first occurred, and the primary insurance amount of such insured individual is determined under the provisions of section 215(a) (1) or (3), then such total of benefits shall not be reduced to less than \$99.10 if such primary insurance amount is \$66, to less than \$102.40 if such primary insurance amount is \$67, to less than \$106.50 if such primary insurance amount is \$68, or, if such primary insurance amount is higher than \$68, to less than the smaller of—

(C) the amount determined under this subsection without regard to this paragraph, or \$206.60, whichever is larger, or

(D) the amount in column V of such table on the same line on which, in column IV, appears his primary insurance amount, plus the excess of—

(i) such primary insurance amount, over

(ii) the smaller amount in column II of the table on the line on which appears such primary insurance amount.

In any case in which benefits are reduced pursuant to the preceding provisions of this subsection, such reduction shall be made after any deductions under this section and after any deductions under section 222(b). Whenever a reduction is made under this subsection, each benefit, except the old-age or disability insurance benefit, shall be proportionately decreased.

Deductions on Account of Work

(b) Deductions, in amounts and at such time or times as the Secretary shall determine, shall be made from any payment or payments under this title to which an individual is entitled, and from any payment or payments to which any other persons are entitled on the

basis of such individual's wages and self-employment income, until the total of such deductions equals—

(1) such individual's benefit or benefits under section 202 for any month, and

(2) if such individual was entitled to old-age insurance benefits under section 202(a) for such month, the benefit or benefits of all other persons for such month under section 202 based on such individual's wages and self-employment income,

if for such month he is charged with excess earnings, under the provisions of subsection (f) of this section, equal to the total of benefits referred to in clauses (1) and (2). If the excess earnings so charged are less than such total of benefits, such deductions with respect to such month shall be equal only to the amount of such excess earnings. If a child who has attained the age of 18 and is entitled to child's insurance benefits, or a person who is entitled to mother's insurance benefits, is married to an individual entitled to old-age insurance benefits under section 202(a), such child or such person, as the case may be, shall, for the purposes of this subsection and subsection (f), be deemed to be entitled to such benefits on the basis of the wages and self-employment income of such individual entitled to old-age insurance benefits. If a deduction has already been made under this subsection with respect to a person's benefit or benefits under section 202 for a month, he shall be deemed entitled to payments under such section for such month for purposes of further deductions under this subsection, and for purposes of charging of each person's excess earnings under subsection (f), only to the extent of the total of his benefits remaining after such earlier deductions have been made. For purposes of this subsection and subsection (f)—

(A) an individual shall be deemed to be entitled to payments under section 202 equal to the amount of the benefit or benefits to which he is entitled under such section after the application of subsection (a) of this section, but without the application of the penultimate sentence thereof; and

(B) if a deduction is made with respect to an individual's benefit or benefits under section 202 because of the occurrence in any month of an event specified in subsection (c) or (d) of this section or in section 222(b), such individual shall not be considered to be entitled to any benefits under such section 202 for such month.

Sec. 205. * * *

(n) The Secretary may, in his discretion, certify to the Managing Trustee any two or more individuals of the same family for joint payment of the total benefits payable to such individuals.

* * * * *

Sec. 211. * * *

Trade or Business

(c) The term "trade or business", when used with reference to self-employment income or net earnings from self-employment, shall have the same meaning as when used in section 162 of the Internal Revenue Code of 1954,²⁶ except that such terms shall not include—

²⁶ See p. 353, vol. I.

- (1) The performance of the functions of a public office;
- (2) The performance of service by an individual as an employee, other than—

(A) service described in section 210(a)(14) (B) performed by an individual who has attained the age of eighteen,

(B) service described in section 210(a)(16),

(C) service described in section 210(a)(11), (12), or (15) performed in the United States by a citizen of the United States, and

(D) service described in paragraph (4) of this subsection;

- (3) The performance of service by an individual as an employee or employee representative as defined in section 3231 of the Internal Revenue Code of 1954;²⁷

(4) The performance of service by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

(5) The performance of service by an individual in the exercise of his profession as a doctor of medicine or Christian Science practitioner; or the performance of such service by a partnership.

The provisions of paragraph (4) shall not apply to service (other than service performed by a member of a religious order who has taken a vow of poverty as a member of such order) performed by an individual during the period for which a certificate filed by such individual under section 1402(e) of the Internal Revenue Code of 1954²⁸ is in effect. The provisions of paragraph (5) shall not apply to service performed by an individual in the exercise of his profession as a Christian Science practitioner during the period for which a certificate filed by him under section 1402(e) of the Internal Revenue Code of 1954 is in effect.

Computation of Primary Insurance Amount

Sec. 215. For the purposes of this title—

- (a) Subject to the conditions specified in subsections (b), (c), and (d) of this section, the primary insurance amount of an insured individual shall be whichever of the following is the largest:²⁹

(1) The amount in column IV on the line on which in column III of the following table appears his average monthly wage (as determined under subsection (b));

(2) The amount in column IV on the line on which in column II of the following table appears his primary insurance amount (as determined under subsection (c));

(3) The amount in column IV on the line on which in column I of the following table appears his primary insurance benefit (as determined under subsection (d)); or

- (4) In case of—

(A) a woman who was entitled to a disability insurance benefit for the month before the month in which she died or became entitled to old-age insurance benefits, or

²⁷ See p. 425, vol. I.

²⁸ See p. 395, vol. I.

²⁹ See sec. 205(c) of P.L. 86-778, p. 499, this volume, for method of computing primary insurance amount where insured individual died prior to 1940.

(B) a man who was entitled to a disability insurance benefit for the month before the month in which he died or attained age 65, the amount in column IV which is equal to such disability insurance benefit.³⁰

TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS

I (Primary insurance benefit under 1939 act, as modified)		II (Primary insurance amount under 1954 act)		III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—		Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a) on the basis of his wages and self-employment income shall be—
At least—	But not more than—	At least—	But not more than—	At least—	But not more than—		
-----	\$13.48	-----	\$37.00	-----	\$67	\$40	\$60.00
\$13.49	14.00	\$37.10	38.00	\$68	69	41	61.50
14.01	14.48	38.10	39.00	70	70	42	63.00
14.49	15.00	39.10	40.00	71	72	43	64.50
15.01	15.60	40.10	41.00	73	74	44	66.00
15.61	16.20	41.10	42.00	75	76	45	67.50
16.21	16.84	42.10	43.00	77	78	46	69.00
16.85	17.60	43.10	44.00	79	80	47	70.50
17.61	18.40	44.10	45.00	81	81	48	72.00
18.41	19.24	45.10	46.00	82	83	49	73.50
19.25	20.00	46.10	47.00	84	85	50	75.00
20.01	20.64	47.10	48.00	86	87	51	76.50
20.65	21.28	48.10	49.00	88	89	52	78.00
21.29	21.88	49.10	50.00	90	90	53	79.50
21.89	22.28	50.10	50.90	91	92	54	81.00
22.29	22.68	51.00	51.80	93	94	55	82.50
22.69	23.08	51.90	52.80	95	96	56	84.00
23.09	23.44	52.90	53.70	97	97	57	85.50
23.45	23.76	53.80	54.60	98	99	58	87.00
23.77	24.20	54.70	55.60	100	101	59	88.50
24.21	24.60	55.70	56.50	102	102	60	90.00
24.61	25.00	56.60	57.40	103	104	61	91.50
25.01	25.48	57.50	58.40	105	106	62	93.00
25.49	25.92	58.50	59.30	107	107	63	94.50
25.93	26.40	59.40	60.20	108	109	64	96.00
26.41	26.94	60.30	61.20	110	113	65	97.50
26.95	27.46	61.30	62.10	114	118	66	99.00
27.47	28.00	62.20	63.00	119	122	67	100.50
28.01	28.68	63.10	64.00	123	127	68	102.00
28.69	29.25	64.10	64.90	128	132	69	105.60
29.26	29.68	65.00	65.80	133	136	70	108.80
29.69	30.36	65.90	66.80	137	141	71	112.80
30.37	30.92	66.90	67.70	142	146	72	116.80
30.93	31.36	67.80	68.60	147	150	73	120.00
31.37	32.00	68.70	69.60	151	155	74	124.00
32.01	32.60	69.70	70.50	156	160	75	128.00
32.61	33.20	70.60	71.40	161	164	76	131.20
33.21	33.88	71.50	72.40	165	169	77	135.20
33.89	34.50	72.50	73.30	170	174	78	139.20
34.51	35.00	73.40	74.20	175	178	79	142.40
35.01	35.80	74.30	75.20	179	183	80	146.40
35.81	36.40	75.30	76.10	184	188	81	150.40
36.41	37.08	76.20	77.10	189	193	82	154.40
37.09	37.60	77.20	78.00	194	197	83	157.60
37.61	38.20	78.10	78.90	198	202	84	161.60
38.21	39.12	79.00	79.90	203	207	85	165.60
39.13	39.68	80.00	80.80	208	211	86	168.80
39.69	40.33	90.90	81.70	212	216	87	172.80
40.34	41.12	81.80	82.70	217	221	88	176.80
41.13	41.76	82.80	83.60	222	225	89	180.00
41.77	42.44	83.70	84.50	226	230	90	184.00
42.45	43.20	84.60	85.50	231	235	91	188.00

³⁰ See also sec. 101(h) of P.L. 85-840, p. 493, this volume, for primary insurance amount for certain disability insurance beneficiaries, and sec. 303(g) of P.L. 86-778, p. 500, this volume, for conditions under which sec. 215, as in effect prior to the 1960 Amendments, continues to apply.

TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS—Continued

I (Primary insurance benefit under 1939 act, as modified)		II (Primary insurance amount under 1954 act)		III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—		Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—	At least—	But not more than—	At least—	But not more than—		
\$43.21	\$43.76	\$85.60	\$86.40	\$236	\$239	\$92	\$191.20
43.77	44.44	86.50	87.30	240	244	93	195.20
44.45	44.88	87.40	88.30	245	249	94	199.20
44.89	45.60	88.40	89.20	250	253	95	202.40
		89.30	90.10	254	258	96	206.40
		90.20	91.10	259	263	97	210.40
		91.20	92.00	264	267	98	213.60
		92.10	92.90	268	272	99	217.60
		93.00	93.90	273	277	100	221.60
		94.00	94.80	278	281	101	224.80
		94.90	95.80	282	286	102	228.80
		95.90	96.70	287	291	103	232.80
		96.80	97.60	292	295	104	236.00
		97.70	98.60	296	300	105	240.00
		98.70	99.50	301	305	106	244.00
		99.60	100.40	306	309	107	247.20
		100.50	101.40	310	314	108	251.20
		101.50	102.30	315	319	109	254.00
		102.40	103.20	320	323	110	254.00
		103.30	104.20	324	328	111	254.00
		104.30	105.10	329	333	112	254.00
		105.20	106.00	334	337	113	254.00
		106.10	107.00	338	342	114	254.00
		107.10	107.90	343	347	115	254.00
		108.00	108.50	348	351	116	254.00
				352	356	117	254.00
				357	361	118	254.00
				362	365	119	254.00
				366	370	120	254.00
				371	375	121	254.00
				376	379	122	254.00
				380	384	123	254.00
				385	389	124	254.00
				390	393	125	254.00
				394	398	126	254.00
				399	400	127	254.00

Average Monthly Wage

(b) (1) For the purposes of column III of the table appearing in subsection (a) of this section, an individual's "average monthly wage" shall be the quotient obtained by dividing—

(A) the total of his wages paid in and self-employment income credited to his "benefit computation years" (determined under paragraph (2)), by

(B) the number of months in such years.

(2) (A) The number of an individual's "benefit computation years" shall be equal to the number of elapsed years (determined under paragraph (3) of this subsection), reduced by five; except that the number of an individual's benefit computation years shall in no case be less than two.

(B) An individual's "benefit computation years" shall be those computation base years, equal in number to the number determined under subparagraph (A), for which the total of his wages and self-employment income is the largest.

(C) For the purposes of subparagraph (B), "computation base years" include only calendar years occurring—

(i) after December 31, 1950, and

(ii) prior to the year in which the individual became entitled to old-age insurance benefits or died, whichever first occurred; except that the year in which the individual became entitled to old-age insurance benefits or died, as the case may be, shall be included as a computation base year if the Secretary determines, on the basis of evidence available to him at the time of the computation of the primary insurance amount for such individual, that the inclusion of such year would result in a higher primary insurance amount. Any calendar year all of which is included in a period of disability shall not be included as a computation base year.

(3) For purposes of paragraph (2), the number of individual's elapsed years is the number of calendar years after 1950 (or, if later, the year in which he attained age 21) and before—

(A) in the case of a woman, the year in which she died or (if earlier) the first year after 1960 in which she both was fully insured and had attained age 62,

(B) in the case of a man who has died, the year in which he died or (if earlier) the first year after 1960 in which he both was fully insured and had attained age 65, or

(C) in the case of a man who has not died, the first year after 1960 in which he attained (or would attain) age 65 or (if later) the first year in which he was fully insured.

For purposes of the preceeding sentence, any calendar year any part of which was included in a period of disability shall not be included in such number of calendar years.

(4) The provisions of this subsection shall be applicable only in the case of an individual with respect to whom not less than six of the quarters elapsing after 1950 are quarters of coverage, and—

(A) who becomes entitled to benefits after December 1960 under section 202(a) or section 223; or

(B) who dies after December 1960 without being entitled to benefits under section 202(a) or section 233; or

(C) who files an application for a recomputation under subsection (f)(2)(A) after December 1960 and is (or would, but for the provisions of subsection (f)(6), be) entitled to have his primary insurance amount recomputed under subsection (f)(2)(A); or

(D) who dies after December 1960 and whose survivors are (or would, but for the provisions of subsection (f)(6), be) entitled to a recomputation of his primary insurance amount under subsection (f)(4).

(5) In the case of any individual—

(A) to whom the provisions of this subsection are not made applicable by paragraph (4), but

(B) (i) prior to 1961, met the requirements of this paragraph (including subparagraph (E) thereof) as in effect prior to the enactment of the Social Security Amendments of 1960, or (ii) after 1960, meets the conditions of subparagraph (E) of this paragraph as in effect prior to such enactment,

then the provisions of this subsection as in effect prior to such enactment shall apply to such individual for the purposes of column III of the table appearing in subsection (a) of this section.³¹

Primary Insurance Amount Under 1954 Act

(c)(1) For the purposes of column II of the table appearing in subsection (a) of this section, an individual's primary insurance amount shall be computed as provided in, and subject to the limitations specified in, (A) this section as in effect prior to the enactment of the Social Security Amendments of 1958, and (B) the applicable provisions of the Social Security Amendments of 1954.

(2) The provisions of this subsection shall be applicable only in the case of an individual—

(A) who became entitled to benefits under section 202(a) or section 223 or died prior to January 1959, and

(B) to whom the provisions of neither paragraph (4) nor paragraph (5) of subsection (b) are applicable.³²

Primary Insurance Benefit Under 1939 Act

(d)(1) For the purposes of column I of the table appearing in subsection (a) of this section, an individual's primary insurance benefit shall be computed as provided in this title as in effect prior to the enactment of the Social Security Act Amendments of 1950,³³ except that—

(A) In the computation of such benefit, such individual's average monthly wage shall (in lieu of being determined under section 209(f) of this title as in effect prior to the enactment of such amendments) be determined as provided in subsection (b) of this section (but without regard to paragraphs (4) and (5) thereof), except that for the purposes of paragraphs (2)(C)(i) and (3)(A)(i) of subsection (b), December 31, 1936, shall be used instead of December 31, 1950.

(B) For purposes of such computation, the date he became entitled to old-age insurance benefits shall be deemed to be the date he became entitled to primary insurance benefits.

(C) The 1 per centum addition provided for in section 209(e)(2) of this Act as in effect prior to the enactment of the Social Security Act Amendments of 1950 shall be applicable only with respect to calendar years prior to 1951, except that any wages paid in any year prior to such year all of which was included in a period of disability shall not be counted.

(D) The provisions of subsection (e) shall be applicable to such computation.

(2) The provisions of this subsection shall be applicable only in the case of an individual—

(A) with respect to whom at least one of the quarters elapsing prior to 1951 is a quarter of coverage;

³¹ See also secs. 303(g) and 303(j) of P.L. 86-778, pp. 500 and 502, this volume, respectively.

³² See also sec. 303(g) of P.L. 86-778, p. 500, this volume.

³³ This reference is to subsec. 209 (e) and (f) as in effect prior to the Social Security Act Amendments of 1950, see p. 539, this volume.

(B) who meets the requirements of any of the subparagraphs of paragraph (4) of subsection (b) of this section; and

(C) who attained age 22 after 1950 and with respect to whom less than six of the quarters elapsing after 1950 are quarters of coverage, or who attained such age before 1951.

(3) The provisions of this subsection as in effect prior to the enactment of the Social Security Amendments of 1960 shall be applicable in the case of an individual who meets the requirements of subsection (b) (5) (as in effect after such enactment) but without regard to whether such individual has six quarters of coverage after 1950.³⁴

Certain Wages and Self-Employment Income Not To Be Counted

(e) For the purposes of subsection (b) and (d)—

(1) in computing an individual's average monthly wage there shall not be counted the excess over \$3,600 in the case of any calendar year after 1950 and before 1955, the excess over \$4,200 in the case of any calendar year after 1954 and before 1959, and the excess over \$4,800 in the case of any calendar year after 1958, of (A) the wages paid to him in such year, plus (B) the self-employment income credited to such year (as determined under section 212);

(2) if an individual's average monthly wage computed under subsection (b) or for the purposes of subsection (d) is not a multiple of \$1, it shall be reduced to the next lower multiple of \$1; and

(3) if an individual has self-employment income in a taxable year which begins prior to the calendar year in which he becomes entitled to old-age insurance benefits and ends after the last day of the month preceding the month in which he becomes so entitled, his self-employment income in such taxable year shall not be counted in determining his benefit computation years, except as provided in subsection (f) (3) (C).³⁵

Recomputation of Benefits

(f) (1) After an individual's primary insurance amount has been determined under this section, there shall be no recomputation of such individual's primary insurance amount except as provided in this subsection or, in the case of a World War II veteran who died prior to July 27, 1954, as provided in section 217 (b).³⁶

(2) (A) Upon application filed after 1960 by an individual entitled to old-age insurance benefits, the Secretary shall recompute his primary insurance amount if—

(i) he has not less than six quarters of coverage in the period after 1950 and prior to the quarter in which such application is filed,

(ii) he has wages and self-employment income of more than \$1,200 in a calendar year which occurs after 1953 (not taking into account any year prior to the calendar year in which the last

³⁴ See also sec. 303 (g) of P.L. 86-778, p. 500, this volume.

³⁵ See also sec. 303 (g) of P.L. 86-778, p. 500, this volume.

³⁶ See also sec. 102 (e) (5) of the Social Security Amendments of 1954, p. 484, this volume.

previous recomputation, if any, of his primary insurance amount was effective) and after the year in which he became (without the application of section 202(j)(1)) entitled to old-age insurance benefits or filed an application for recomputation (to which he is entitled) under section 102(e)(5)(B) or 102(f)(2)(B) of the Social Security Amendments of 1954,³⁷ whichever of such events is the latest, and

(iii) he filed such application after such calendar year referred to in clause (ii) in which he had such wages and self-employment income.

Such recomputation shall be effective for and after the twelfth month before the month in which he filed such application for recomputation but in no event earlier than the month following such calendar year referred to in clause (ii). For the purposes of this subparagraph an individual's self-employment income shall be allocated to calendar quarters in accordance with section 212.

(B) A recomputation pursuant to subparagraph (A) shall be made—

(i) only as provided in subsection (a)(1), if the provisions of subsection (b), as amended by the Social Security Amendments of 1960, were applicable to the last previous computation of the individual's primary insurance amount, or

(ii) as provided in subsection (a)(1) and (3), in all other cases.

Such recomputation shall be made as though the individual became entitled to old-age insurance benefits in the month in which he filed the application for such recomputation, except that if clause (i) of this subparagraph is applicable to such recomputation, the computation base years referred to in subsection (b)(2) shall include only calendar years occurring prior to the year in which he filed his application for such recomputation.

(3) (A) Upon application by an individual—

(i) who became entitled to old-age insurance benefits under section 202(a) after December 1960, or

(ii) whose primary insurance amount was recomputed as provided in paragraph (2)(B)(ii) of this subsection on the basis of an application filed after December 1960,

the Secretary shall recompute his primary insurance amount if such application is filed after the calendar year in which he became entitled to old-age insurance benefits or in which he filed application for the recomputation of his primary insurance amount under clause (ii) of this sentence, whichever is the later. Such recomputation under this subparagraph shall be made as provided in subsection (a)(1) and (3) of this section, except that such individual's computation base years referred to in subsection (b)(2) shall include the calendar year referred to in the preceding sentence. Such recomputation under this subparagraph shall be effective for and after the first month for which his last previous computation of his primary insurance amount was effective, but in no event for any month prior to the twenty-fourth month before the month in which the application for such recomputation is filed.

³⁷ See p. 484, this volume. P.L. 89-97, sec. 302(f)(7) enacted July 30, 1965, repealed subparagraph (B) of sec. 102(f)(2) of the Social Security Amendments of 1954, effective January 2, 1966.

(B) In the case of an individual who dies after December 1960 and—

(i) who, at the time of death was not entitled to old-age insurance benefits under section 202(a), or

(ii) who became entitled to such old-age insurance benefits after December 1960, or

(iii) whose primary insurance amount was recomputed under paragraph (2) of this subsection on the basis of an application filed after December 1960, or

(iv) whose primary insurance amount was recomputed under paragraph (4) of this subsection,

the Secretary shall recompute his primary insurance amount upon the filing of an application by a person entitled to monthly benefits or a lump-sum death payment on the basis of such individual's wages and self-employment income. Such recomputation shall be made as provided in subsection (a) (1) and (3) of this section, except that such individual's computation base years referred to in subsection (b) (2) shall include the calendar year in which he died in the case of an individual who was not entitled to old-age insurance benefits at the time of death or whose primary insurance amount was recomputed under paragraph (4) of this subsection, or in all other cases, the calendar year in which he filed his application for the last previous computation of his primary insurance amount. In the case of monthly benefits, such recomputation shall be effective for and after the month in which the person entitled to such monthly benefits became so entitled. but in no event for any month prior to the twenty-fourth month before the month in which the application for such recomputation is filed.

(C) In the case of an individual who becomes entitled to old-age insurance benefits in a calendar year after 1960, if such individual has self-employment income in a taxable year which begins prior to such calendar year and ends after the last day of the month preceding the month in which he became so entitled, the Secretary shall recompute such individual's primary insurance amount after the close of such taxable year and shall take into account in determining the individual's benefit computation years only such self-employment income in such taxable year as is credited, pursuant to section 212, to the year preceding the year in which he became so entitled. Such recomputation shall be effective for and after the first month in which he became entitled to old-age insurance benefits.³⁸

(4) Upon the death after 1960 of an individual entitled to old-age insurance benefits, if any person is entitled to monthly benefits, or to a lump-sum death payment, on the basis of the wages and self-employment income of such individual, the Secretary shall recompute the decedent's primary insurance amount, but only if—

(A) the decedent would have been entitled to a recomputation under paragraph (2) (A) if he had filed application therefore in the month in which he died; or

(B) the decedent during his lifetime was paid compensation which was treated under section 205(o) as remuneration for employment.

³⁸ See also sec. 303(h) of P.L. 86-778, p. 501, this volume.

If the recomputation is permitted by subparagraph (A) the recomputation shall be made (if at all) as though he had filed application for a recomputation under paragraph (2)(A) in the month in which he died. If the recomputation is permitted by subparagraph (B), the recomputation shall take into account only the wages and self-employment income which were considered in the last previous computation of his primary insurance amount and the compensation (described in section 205(o)) paid to him in the years in which such wages were paid or to which such self-employment income was credited. If both of the preceding sentences are applicable to an individual, only the recomputation which results in the larger primary insurance amount shall be made.³⁹

(5) In the case of any individual who became entitled to old-age insurance benefits in 1952 or in a taxable year which began in 1952 (and without the application of section 202(j)(1)), or who died in 1952 or in a taxable year which began in 1952 but did not become entitled to such benefits prior to 1952, and who had self-employment income for a taxable year which ended within or with 1952 or which began in 1952, then upon application filed by such individual after the close of such taxable year and prior to January 1961 or (if he died without filing such an application and such death occurred prior to January 1961) by a person entitled to monthly benefits on the basis of such individual's wages and self-employment income, the Secretary shall recompute such individual's primary insurance amount. Such recomputation shall be made in the manner provided in the preceding subsections of this section (other than subsection (b)(4)(A))⁴⁰ for computation of such amount, except that (A) the self-employment income closing date shall be the day following the quarter with or within which such taxable year ended, and (B) the self-employment income for any subsequent taxable year shall not be taken into account. Such recomputation shall be effective (A) in the case of an application filed by such individual, for and after the first month in which he became entitled to old-age insurance benefits, and (B) in the case of an application filed by any other person, for and after the month in which such person who filed such application for recomputation became entitled to such monthly benefits. No recomputation under this paragraph pursuant to an application filed after such individual's death shall affect the amount of the lump-sum death payment under subsection (i) of section 202, and no such recomputation shall render erroneous any such payment certified by the Secretary prior to the effective date of the recomputation.

(6) Any recomputation under this subsection shall be effective only if such recomputation results in a higher primary insurance amount.⁴¹

(7)(A) In the case of a man who attains age 65 and who became entitled to old-age insurance benefits before the month in which he attains such age, his primary insurance amount shall be recomputed as provided in subsection (a) as though he became entitled to old-age in-

³⁹ See also sec. 303(j)(2) of P.L. 86-778, p. 502 and sec. 102(e)(5) of the Social Security Amendments of 1954, p. 484, this volume.

⁴⁰ This reference is to a provision which had prohibited inclusion of self-employment income in any taxable year ending in or after the month in which the individual died or became entitled to old-age insurance benefits, whichever first occurred. This provision was repealed by the Social Security Amendments of 1954 (P.L. 761, 83d Cong.).

⁴¹ See also sec. 303(j) of P.L. 86-778, p. 502, this volume.

surance benefits in the month which he attained age 65, except that his computation base years referred to in subsection (b) (2) shall include the year in which he attained age 65. Such recomputation shall be effective for and after the month in which he attained age 65.

(B) In the case of a man who became entitled to old-age insurance benefits and died before the month in which he attained age 65, the Secretary shall, if any person is entitled to monthly insurance benefits or a lump-sum death payment on the basis of the wages and self-employment income of the decedent, recompute his primary insurance amount as provided in subsection (a) as though he became entitled to old-age insurance benefits in the month in which he died; except that (i) his computation base years referred to in subsection (b) (2) shall include the year in which he died, and (ii) his elapsed years referred to in subsection (b) (3) shall not include the year in which he died or any year thereafter. In the case of monthly insurance benefits, such recomputation of a man's primary insurance amount shall be effective for and after the month in which he died.

Rounding of Benefits

(g) The amount of any primary insurance amount and the amount of any monthly benefit computed under section 202 or 223 which (after reduction under section 203(a) and deductions under section 203(b)) is not a multiple of \$0.10 shall be raised to the next higher multiple of \$0.10.

(h) (1) Notwithstanding the provisions of the Civil Service Retirement Act, remuneration paid for service to which the provisions of section 210(1) (1) of this Act are applicable and which is performed by an individual as a commissioned officer of the Reserve Corps of the Public Health Service prior to July 1, 1960, shall not be included in computing entitlement to or the amount of any monthly benefit under this title, on the basis of his wages and self-employment income, for any month after June 1960 and prior to the first month with respect to which the Civil Service Commission certifies to the Secretary that, by reason of a waiver filed as provided in paragraph (2) no further annuity will be paid to him, his wife, and his children or, if he has died, to his widow and children, under the Civil Service Retirement Act on the basis of such service.

(2) In the case of a monthly benefit for a month prior to that in which the individual, on whose wages and self-employment income such benefit is based, dies, the waiver must be filed by such individual; and such waiver shall be irrevocable and shall constitute a waiver on behalf of himself, his wife, and his children. If such individual did not file such a waiver before he died, then in the case of a benefit for the month in which he died or any month thereafter, such waiver must be filed by his widow, if any, and by or on behalf of all his children, if any; and such waivers shall be irrevocable. Such a waiver by a child shall be filed by his legal guardian or guardians, or, in the absence thereof, by the person (or persons) who has the child in his care.

Other Definitions

Sec. 216. For the purposes of this title—

* * * * *

Former Wife Divorced

(d) The term “former wife divorced” means a woman divorced from an individual, but only if (1) she is the mother of his son or daughter, (2) she legally adopted his son or daughter while she was married to him and while such son or daughter was under the age of eighteen, (3) he legally adopted her son or daughter while she was married to him and while such son or daughter was under the age of eighteen, or (4) she was married to him at the time both of them legally adopted a child under the age of eighteen.

* * * * *

(i) (2) The term “period of disability” means a continuous period (beginning and ending as hereinafter provided in this subsection) during which an individual was under a disability (as defined in paragraph (1)), but only if such period is of not less than six full calendar months’ duration or such individual was entitled to benefits under section 223 for one or more months in such period. No such period shall begin as to any individual unless such individual, while under such disability, files an application for a disability determination with respect to such period; and no such period shall begin as to any individual after such individual attains the age of sixty-five. A period of disability shall (subject to section 223(a)(3)) begin—

(A) on the day the disability began, but only if the individual satisfies the requirements of paragraph (3) on such day; or

(B) if such individual does not satisfy the requirements of paragraph (3) on such day, then on the first day of the first quarter thereafter in which he satisfies such requirement.

A period of disability shall end with the close of the last day of the month preceding whichever of the following months is the earlier; the month in which the individual attains age sixty-five or the third month following the month in which the disability ceases. No application for a disability determination which is filed more than three months before the first day on which a period of disability can begin (as determined under this paragraph), or, in any case in which clause (ii) of section 223(a)(1) is applicable, more than six months before the first month for which such applicant becomes entitled to benefits under section 223, shall be accepted as an application for purposes of this paragraph, and no such application which is filed prior to January 1, 1955, shall be accepted. Any application for a disability determination which is filed within such three months’ period or six months’ period shall be deemed to have been filed on such first day or in such first month, as the case may be.

(3) The requirements referred to in clauses (A) and (B) of paragraph (2) are satisfied by an individual with respect to any quarter only if—

(A) he would have been a fully insured individual (as defined in section 214) had he attained age 62 (if a woman) or age 65 (if a man) and filed application for benefits under section 202(a) on the first day of such quarter; and

(B) he had not less than twenty quarters of coverage during the forty-quarter period which ends with such quarter, not counting as part of such forty-quarter period any quarter any part of which was included in a prior period of disability unless such quarter was a quarter of coverage;

except that the provisions of subparagraph (A) of this paragraph shall not apply in the case of any individual with respect to whom a period of disability would, but for such subparagraph, begin prior to 1951.⁴²

Sec. 217. * * *

(g) (1) There are hereby authorized to be appropriated to the Trust Funds annually, as benefits under this title are paid after June 1956, such sums as the Secretary of Health, Education, and Welfare determines to be necessary to meet the additional costs, resulting from subsections (a), (b), and (e), of such benefits (including lump-sum death payments).

(2) The Secretary shall, before October 1, 1958, determine the amount which would place the Federal Old-Age and Survivors Insurance Trust Fund in the same position in which it would have been at the close of June 30, 1956, if section 210 of this Act, as in effect prior to the Social Security Act Amendments of 1950, and section 217 of this Act (including amendments thereof), had not been enacted. There are hereby authorized to be appropriated to such Trust Fund annually, during the first ten fiscal years beginning after such determination is made, sums aggregating the amount so determined, plus interest accruing on such amount (as reduced by appropriations made pursuant to this paragraph) for each fiscal year beginning after June 30, 1956, at a rate for such fiscal year equal to the average rate of interest (as determined by the Managing Trustee) earned on the invested assets of such Trust Fund during the preceding fiscal year.

Disability Insurance Benefits

Sec. 223. * * *

(a) (3) If, for any month before the month in which an individual attains age 65, such individual is entitled to—

(A) a widow's, widower's, or parent's insurance benefit, or

(B) an old-age, wife's or husband's insurance benefit which

is reduced under subsection (q) of section 202,

such individual may not, for any month after the first month for which such individual is so entitled become entitled to disability insurance benefits; and a period of disability may not begin with respect to such individual in any month after such first month.

⁴² See also sec. 404 of P.L. 86-778, p. 503, this volume, for special insured status test applicable in certain cases for disability purposes.

Filing of Application

(b) No application for disability insurance benefits shall be accepted as a valid application for purposes of this section (1) if it is filed more than nine months before the first month for which the applicant becomes entitled to such benefits, or (2) in any case in which clause (ii) of paragraph (1) of subsection (a) is applicable if it is filed more than six months before the first month for which the applicant becomes entitled to such benefits; and any application filed within such nine months' period or six months' period, as the case may be, shall be deemed to have been filed in such first month. An individual who would have been entitled to a disability insurance benefit for any month after June 1957 had he filed application therefor prior to the end of such month shall be entitled to such benefit for such month if he is continuously under a disability after such month and until he files application therefore, and he files such application prior to the end of the twelfth month immediately succeeding such month.

(c) (1) (B) he had not less than twenty quarters of coverage during the forty-quarter period ending with the quarter in which such first day occurred, not counting as part of such forty-quarter period any quarter any part of which was included in a period of disability (as defined in section 216(i)) unless such quarter was a quarter of coverage.⁴³

(2) The term "disability" means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.

TITLE V—GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

* * * * *

Part 3—Child-Welfare Services

* * * * *

Allotments to States

Sec. 522. (a) All but \$10,000,000 of the total appropriated for a fiscal year under section 521, or if such total is less than \$35,000,000, all but the excess (if any) of such total over \$25,000,000, shall be allotted by the Secretary for use by cooperating State public-welfare agencies which have plans developed jointly by the State agency and the Secretary, as follows: He shall allot to each State \$70,000 or, if the amount appropriated under section 521 for such year is less than \$25,000,000, he shall allot to each State \$50,000 or, if greater, such portion of \$70,000 as the amount appropriated under such section bears to \$25,000,000; and he shall allot to each State an amount which bears the

⁴³ See also sec. 404, P.L. 86-778, p. 503, this volume, for special insured status test applicable in certain cases for disability purposes.

same ratio to the remainder of the sum available for allotment under this subsection for such year as the product of (1) the population of such State under the age 21 and (2) the allotment percentage of such State (as determined under section 524) bears to the sum of the corresponding products of all the State.

(b)(1) If the amount allotted to a State under subsection (a) for any fiscal year is less than such State's base allotment, it shall be increased to such base allotment, the total of the increases thereby required being derived by proportionately reducing the amount allotted under subsection (a) to each of the remaining States, but with such adjustments as may be necessary to prevent the allotment of any such remaining State under subsection (a) from being thereby reduced to less than its base allotment.

(2) For purposes of paragraph (1) the base allotment of any State for any fiscal year means the amount which would be allotted to such State for such year under the provisions of section 521, as in effect prior to the enactment of the Social Security Amendments of 1958, as applied to an appropriation of \$12,000,000.

Day Care

Sec. 527. (a) In order to assist the States to provide adequately for the care and protection of children whose parents are, for part of the day, working or seeking work, or otherwise absent from the home or unable for other reasons to provide parental supervision, the portion of the appropriation under section 521 for any fiscal year which is not allotted under section 522 shall be allotted by the Secretary among the States solely for use, under the State plan developed as provided in this part, for day care services, including the provision of day care in facilities (including private homes) which are licensed by the State, or are approved (as meeting the standards established for such licensing) by the State agency responsible for licensing facilities of this type, as follows: He shall allot to each State an amount which bears the same ratio to such portion of the appropriation as the product of (1) the population of the State under the age of 21 and (2) the allotment percentage of such State (as determined under section 524) bears to the sum of the corresponding products of all the States, except that the allotment of any State as so computed which is less than \$10,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States (as so computed) having an allotment in excess of that amount, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than that amount.

(b) The amount of any allotment to a State under subsection (a) for any fiscal year which the State certifies to the Secretary will not be required for the purposes for which allotted shall be available for reallocation from time to time, on such dates as the Secretary may fix,

to other States which the Secretary determines (1) have need in carrying out such purposes for sums in excess of those previously allotted to them under subsection (a), and (2) will be able to use such excess amounts during such fiscal year. Such reallocations shall be made on the basis of the need for additional funds in carrying out such purposes, after taking into consideration the population under the age of twenty-one, and the per capita income of each such State as compared with the population under the age of twenty-one, and the per capita income of all such States with respect to which such a determination by the Secretary has been made. Any amount so reallocated to a State shall be deemed part of its allotment under subsection (a).

TITLE XVI—GRANTS TO STATES FOR AID TO THE AGED, BLIND, OR DISABLED, OR FOR SUCH AID AND MEDICAL ASSISTANCE FOR THE AGED

Sec. 1602. (a) * * *

(14) provide that the State agency shall, in determining need for aid to the aged, blind, or disabled, take into consideration any other income and resources of an individual claiming such aid, as well as any expenses reasonably attributable to the earning of any such income; except that, in making such determination with respect to any individual who is blind, the State agency (A) shall disregard the first \$85 per month of earned income plus one-half of earned income in excess of \$85 per month, and (B) shall, for a period not in excess of twelve months, and may, for a period not in excess of thirty-six months, disregard such additional amounts of other income and resources, in the case of an individual who has a plan for achieving self-support approved by the State agency, as may be necessary for the fulfillment of such plan, and in making such determination with respect to any other individual who has attained age 65 and is claiming aid to the aged, blind, or disabled, of the first \$50 per month of earned income the State agency may, after December 31, 1962, disregard not more than the first \$10 thereof plus one-half of the remainder; and

* * * * *

Sec. 1603. (a)(1) * * *

(B) the Federal percentage (as defined in section 1101 (a)(8)) of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of \$70 multiplied by the total number of recipients of aid to the aged, blind, or disabled for such month; plus

(C) the larger of the following: (i) the Federal medical percentage (as defined in section 6(c)) of the amount by

which such expenditures exceed the maximum which may be counted under clause (B), not counting so much of any expenditure with respect to any month as exceeds (I) the product of \$85 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month, or (II) if smaller, the total expended as aid to the aged, blind, or disabled in the form of medical or any other type of remedial care with respect to such month plus the product of \$70 multiplied by such total number of such recipients, or (ii) 15 per centum of the total of the sums expended during such quarter as aid to the aged, blind, or disabled under the State plan in the form of medical or any other type of remedial care, not counting so much of any expenditure with respect to any month as exceeds the product of \$15 multiplied by the total number of such recipients of aid to the aged, blind, or disabled for such month;

* * * * *

Provisions of the Social Security Act as in Effect Prior to the Social Security Amendments of 1967

TITLE II—FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS

Sec. 203. * * *

(a) (2) when two or more persons were entitled (without the application of section 202(j) (1) and section 223(b)) to monthly benefits under section 202 or 223 for any month which begins after December 1964 and before the enactment of the Social Security Amendments of 1965, on the basis of the wages and self-employment income of such insured individual, such total of benefits for any month occurring after December 1964 shall not be reduced to less than the larger of—

(A) the amount determined under this subsection without regard to this paragraph, or

(B) (i) with respect to the month in which such Amendments are enacted or any prior month, an amount equal to the sum of the amounts derived by multiplying the benefit amount determined under this title (including this subsection, but without the application of section 222(b), section 202(q), and subsections (b), (c), and (d) of this section), as in effect prior to the enactment of such Amendments, for each such person (other than a person who would not be entitled to such benefits for such month without the application of the amendments made by section 306 of the Social Security Amendments of 1965), for such month, by 107 percent and raising each such increased amount, if it is not a multiple of \$0.10, to the next higher multiple of \$0.10, and

(ii) with respect to any month after the month in which such Amendments are enacted, an amount equal to the sum of the amounts derived by multiplying the benefit amount determined under this title (including this subsection, but without the application of section 222(b), section 202(q), and subsections (b), (c), and (d) of this section), as in effect prior to the enactment of such Amendments, for each such person (other than a person who would not be entitled to such benefits for such month without the application of the amendments made by section 306 of the Social Security Amendments of 1965) for the month of enactment, by 107 percent and raising each such increased amount, if it is not a multiple of \$0.10, to the next higher multiple of \$0.10; but in any such case (I) paragraph (1) of this subsection shall not be applied to such total of benefits after the application of subparagraph (B) of this paragraph, and (II) if section 202(k) (2) (A) was applicable in the case of any of such benefits for any such month beginning before the enactment of the

Social Security Amendments of 1965, and ceases to apply after such month, the provisions of subparagraph (B) shall be applied, for and after the month in which such section 202 (k) (2) (A) ceases to apply, as though paragraph (1) had not been applicable to such total of benefits for such month beginning prior to such enactment, or

* * * * *

Computation of Primary Insurance Amount

Sec. 215. For the purposes of this title—

(a) * * *

TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS

I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1958 Act as modified)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
-----	\$13. 48	\$40	-----	\$67	\$44. 00	\$66. 00
\$13. 49	14. 00	41	\$68	69	45. 00	67. 50
14. 01	14. 48	42	70	70	46. 00	69. 00
14. 49	15. 00	43	71	72	47. 00	70. 50
15. 01	15. 60	44	73	74	48. 00	72. 00
15. 61	16. 20	45	75	76	49. 00	73. 50
16. 21	16. 84	46	77	78	50. 00	75. 00
16. 85	17. 60	47	79	80	51. 00	76. 50
17. 61	18. 40	48	81	81	52. 00	78. 00
18. 41	19. 24	49	82	83	53. 00	79. 50
19. 25	20. 00	50	84	85	54. 00	81. 00
20. 01	20. 64	51	86	87	55. 00	82. 50
20. 65	21. 28	52	88	89	56. 00	84. 00
21. 29	21. 88	53	90	90	57. 00	85. 50
21. 89	22. 28	54	91	92	58. 00	87. 00
22. 29	22. 68	55	93	94	59. 00	88. 50
22. 69	23. 08	56	95	96	60. 00	90. 00
23. 09	23. 44	57	97	97	61. 00	91. 50
23. 45	23. 76	58	98	99	62. 10	93. 20
23. 77	24. 20	59	100	101	63. 20	94. 80
24. 21	24. 60	60	102	102	64. 20	96. 30
24. 61	25. 00	61	103	104	65. 30	98. 00
25. 01	25. 48	62	105	106	66. 40	99. 60
25. 49	25. 92	63	107	107	67. 50	101. 30
25. 93	26. 40	64	108	109	68. 50	102. 80
26. 41	26. 94	65	110	113	69. 60	104. 40
26. 95	27. 46	66	114	118	70. 70	106. 10
27. 47	28. 00	67	119	122	71. 70	107. 60
28. 01	28. 68	68	123	127	72. 80	109. 20
28. 69	29. 25	69	128	132	73. 90	110. 90
29. 26	29. 68	70	133	136	74. 90	112. 40
29. 69	30. 36	71	137	141	76. 00	114. 00
30. 37	30. 92	72	142	146	77. 10	116. 80
30. 93	31. 36	73	147	150	78. 20	120. 00
31. 37	32. 00	74	151	155	79. 20	124. 00
32. 01	32. 60	75	156	160	80. 30	128. 00
32. 61	33. 20	76	161	164	81. 40	131. 20
33. 21	33. 88	77	165	169	82. 40	135. 20
33. 89	34. 50	78	170	174	83. 50	139. 20
34. 51	35. 00	79	175	178	84. 60	142. 40
35. 01	35. 80	80	179	183	85. 60	146. 40
35. 81	36. 40	81	184	188	86. 70	150. 40
36. 41	37. 08	82	189	193	87. 80	154. 40
37. 09	37. 60	83	194	197	88. 90	157. 60
37. 61	38. 20	84	198	202	89. 90	161. 60
38. 21	39. 12	85	203	207	91. 00	165. 60
39. 13	39. 68	86	208	211	92. 10	168. 80
39. 69	40. 33	87	212	216	93. 10	172. 80
40. 34	41. 12	88	217	221	94. 20	176. 80
41. 13	41. 76	89	222	225	95. 30	180. 00
41. 77	42. 44	90	226	230	96. 30	184. 00

TABLE FOR DETERMINING PRIMARY INSURANCE AMOUNT AND MAXIMUM FAMILY BENEFITS—Continued

I (Primary insurance benefit under 1939 Act, as modified)		II (Primary insurance amount under 1958 Act as modified)	III (Average monthly wage)		IV (Primary insurance amount)	V (Maximum family benefits)
If an individual's primary insurance benefit (as determined under subsec. (d)) is—		Or his primary insurance amount (as determined under subsec. (c)) is—	Or his average monthly wage (as determined under subsec. (b)) is—		The amount referred to in the preceding paragraphs of this subsection shall be—	And the maximum amount of benefits payable (as provided in sec. 203(a)) on the basis of his wages and self-employment income shall be—
At least—	But not more than—		At least—	But not more than—		
\$42.45	\$43.20	\$91	\$231	\$235	\$97.40	\$188.00
43.21	43.76	92	236	239	98.50	191.20
43.77	44.44	93	240	244	99.60	195.20
44.45	44.88	94	245	249	100.60	199.20
44.89	45.60	95	250	253	101.70	202.40
		96	254	258	102.80	206.40
		97	259	263	103.80	210.40
		98	264	267	104.90	213.60
		99	268	272	106.00	217.60
		100	273	277	107.00	221.60
		101	278	281	108.10	224.80
		102	282	286	109.20	228.80
		103	287	291	110.30	232.80
		104	292	295	111.30	236.00
		105	296	300	112.40	240.00
		106	301	305	113.50	244.00
		107	306	309	114.50	247.20
		108	310	314	115.60	251.20
		109	315	319	116.70	255.20
		110	320	323	117.70	258.40
		111	324	328	118.80	262.40
		112	329	333	119.90	266.40
		113	334	337	121.00	269.60
		114	338	342	122.00	273.60
		115	343	347	123.10	277.60
		116	348	351	124.20	280.80
		117	352	356	125.20	284.80
		118	357	361	126.30	288.80
		119	362	365	127.40	292.00
		120	366	370	128.40	296.00
		121	371	375	129.50	298.00
		122	376	379	130.60	299.60
		123	380	384	131.70	301.60
		124	385	389	132.70	303.60
		125	390	393	133.80	305.20
		126	394	398	134.90	307.20
		127	399	403	135.90	309.20
			404	407	137.00	310.80
			408	412	138.00	312.80
			413	417	139.00	314.80
			418	421	140.00	316.40
			422	426	141.00	318.40
			427	431	142.00	320.40
			432	436	143.00	322.40
			437	440	144.00	324.00
			441	445	145.00	326.00
			446	450	146.00	328.00
			451	454	147.00	329.60
			455	459	148.00	331.60
			460	464	149.00	333.60
			465	468	150.00	335.20
			469	473	151.00	337.20
			474	478	152.00	339.20
			479	482	153.00	340.80
			483	487	154.00	342.80
			488	492	155.00	344.80
			493	496	156.00	346.40
			497	501	157.00	348.40
			502	506	158.00	350.40
			507	510	159.00	352.00
			511	515	160.00	354.00
			516	520	161.00	356.00
			521	524	162.00	357.60
			525	529	163.00	359.60
			530	534	164.00	361.60
			535	538	165.00	363.20
			539	543	166.00	365.20
			544	548	167.00	367.20
			549	550	168.00	368.00

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Disability Insurance Benefit Payments

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Definition of Disability

Sec. 223. * * *

(c) * * *

(2) The term "disability" means—

(A) inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or

(B) in the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in section 216(i)(1)), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

TITLE IV—GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN

* * * * *

Payment to States

Sec. 403. (a) * * *

(3) * * *

(A) 75 per centum of so much of such expenditures as are for—

(i) services which are prescribed pursuant to subsection (c)(1) and are provided (in accordance with the next sentence) to any relative, specified in section 406(a), with whom any dependent child (applying for or receiving aid to families with dependent children) is living in order to help such relative attain or retain capability for self-support or self-care, or services which are so prescribed and so provided in order to maintain and strengthen family life for any such child, or

(ii) other services, specified by the Secretary as likely to prevent or reduce dependency, so provided to any such child or relative, or

(iii) any of the services prescribed pursuant to subsection (c)(1), and of the services specified as provided in clause (ii), which the Secretary may specify as appropriate for any relative specified in section 406(a) with whom any child (who, within such period or periods as the Secretary may prescribe, has been or is likely to become an applicant for or recipient of aid to families with dependent children) is living, or as appropriate for such a child, if such services are requested by such relative and are provided to such relative or child in accordance with the next sentence, or

(iv) the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

(B) one-half of so much of such expenditures (not included under subparagraph (A)) as are for services provided (in accordance with the next sentence) to any relative, specified in section 406(a), with whom any child (who, within such period or periods as the Secretary may prescribe, has been or is likely to become an applicant for or recipient of aid to families with dependent children) is living, or to such child, if such services are requested by such relative or for services so provided to any child who is an applicant for or recipient of such aid, or to any relative, specified in section 406(a), with whom such a child is living; plus

* * * * *

(c)(1) In order for a State to qualify for payments under paragraph (3) of subsection (a), its State plan approved under section 402 must provide that the State agency shall make available at least those services to maintain and strengthen family life for children, and to help relatives specified in section 406(a) with whom children (who are applicants for or recipients of aid to families with dependent children) are living to attain or retain capability for self-support or self-care, which are prescribed by the Secretary.

(2) In the case of any State whose State plan included a provision meeting the requirements of paragraph (1), but with respect to which the Secretary finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, that—

(A) the provision has been so changed that it no longer complies with the requirements of paragraph (1), or

(B) in the administration of the plan there is a failure to comply substantially with such provision,

the Secretary shall notify such State agency that further payments will not be made to the State under paragraph (3) of subsection (a) until he is satisfied that there will no longer be any such failure to comply. Until the Secretary is so satisfied further payments with respect to the administration of such State plan shall not be made under paragraph (3) of subsection (a) but shall instead be made, subject to the other provisions of this part ⁴⁴ under paragraph (4) of such subsection.⁴⁵

Dependent Children of Unemployed Parents

Sec. 407. Effective for the period beginning May 1, 1961, and ending with the close of June 30, 1968,⁴⁶ the term "dependent child" shall, notwithstanding section 406(a), include a needy child who meets the requirements of section 406(a)(2), who has been deprived of parental support or care by reason of the unemployment (as defined by the State) of a parent, and who is living with any of the relatives specified

⁴⁴ P.L. 90-248, sec. 241(b)(3), inserted "part" in lieu of "title".

⁴⁵ P.L. 90-248, sec. 201(e)(1), repealed section 403(c) effective as per footnote 23, title IV, p. 170, vol. 1.

⁴⁶ P.L. 90-36, sec. 2, enacted June 29, 1967, substituted "1968" in lieu of "1967".

in section 406(a)(1) in a place of residence maintained by one or more of such relatives as his (or their) own home, but only with respect to a State whose State plan approved under section 402—

- (1) includes aid for any such child, and
- (2) includes—

(A) provision for entering into cooperative arrangements with the system of public employment offices in the State looking toward employment of the unemployed parents of such children, including appropriate provision for registration and periodic reregistration of the unemployed parent of any such child and for maximum utilization of the job placement services and other services and facilities of such offices, and

(B) provisions to assure that aid to families with dependent children is not provided to any such child or relative if, and for as long as, the unemployed parent refuses without good cause to accept employment, in which he is able to engage, which (i) is offered through such public employment offices, or (ii) is otherwise offered by an employer if the offer is determined by the State or local agency administering the State plan, after notification by such employer, to be a bona fide offer of such employment, and

(3) includes provision (A) for entering into cooperative arrangements with the State agency responsible for administering or supervising the administration of vocational education in the State, looking toward maximum utilization of available public vocational education services and facilities in the State in order to encourage the retraining of individuals capable of being retrained, and (B) for denying aid to families with dependent children to any such child or relative if, and for as long as, the unemployed parent refuses without good cause to undergo any such retraining.

For purposes of the preceding sentence, a State plan may, at the option of the State, provide for the denial of all (or any part) of the aid under the plan to which any child or relative might otherwise be entitled for any month, if the unemployed parent of such child receives unemployment compensation under an unemployment compensation law of a State or of the United States for any week any part of which is included in such month.

TITLE V—GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

Part 1—Maternal and Child Health Services

Appropriation

Section 501. For the purpose of enabling each State to extend and improve, as far as practicable under the conditions in such State, services for promoting the health of mothers and children, especially in rural areas and in areas suffering from severe economic distress the following sums are hereby authorized to be appropriated: \$25,000,000 for the fiscal year ending June 30, 1963, \$30,000,000 for the fiscal

year ending June 30, 1964, \$35,000,000 for the fiscal year ending June 30, 1965, \$45,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, \$55,000,000 for the fiscal year ending June 30, 1968, \$55,000,000 for the fiscal year ending June 30, 1969, and \$60,000,000 for the fiscal year ending June 30, 1970, and each fiscal year thereafter. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary of Health, Education, and Welfare, State plans for such services.

Allotments to States

Sec. 502. (a) The Secretary shall allot one-half of the sum appropriated pursuant to section 501 for each fiscal year as follows: He shall allot to each State \$70,000 and such part of the remainder of such one-half as he finds that the number of live births in such State bore to the total number of live births in the United States in the latest calendar year for which he has statistics.

(b) The Secretary shall also allot to the States (in addition to the allotments made under subsection (a)) the remaining one-half of the sum appropriated for each fiscal year pursuant to section 501. Such one-half shall be allotted from time to time according to the financial need of each State for assistance in carrying out its State plan, as determined by the Secretary after taking into consideration the number of live births in such State; except that not more than 25 per centum of such one-half shall be available for grants to State health agencies (administering or supervising the administration of a State plan approved under section 503), and to public or other nonprofit institutions of higher learning (situated in any State), for special projects of regional or national significance which may contribute to the advancement of maternal and child health.

(c) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payments to such State under section 504 until the end of the second succeeding fiscal year. No payment to a State under section 504 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

Approval of State Plans

Sec. 503. (a) A State plan for maternal and child-health services must (1) provide for financial participation by the State; (2) provide for the administration of the plan by the State health agency or the supervision of the administration of the plan by the State health agency; (3) provide such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan; (4) provide that the State health agency will make such reports, in such form and containing such information, as the

Secretary may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for the extension and improvement of local maternal and child-health services administered by local child-health units; (6) provide for cooperation with medical, nursing, and welfare groups and organizations; (7) provide for the development of demonstration services in needy areas and among groups in special need; and (8) effective July 1, 1967, provide for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary and included in the plan) of inpatient hospital services provided under the plan.

(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the State health agency of his approval.

Payment to States

Sec. 504. (a) From the sums appropriated therefor and the allotments available under section 502(a), the Secretary of the Treasury shall pay to each State which has an approved plan for maternal and child-health services, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Health, Education, and Welfare shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Health, Education, and Welfare shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Health, Education, and Welfare finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health, Education, and Welfare for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health, Education, and Welfare, the amount so certified.

(c) The Secretary of Health, Education, and Welfare shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States from the allotments available under section 502(b), and the Secretary of the Treasury shall, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Health, Education, and Welfare. Payments of grants for special projects under section 502(b) may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine; and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of the grants.

(d) Notwithstanding the preceding provisions of this section, no payment shall be made to any State thereunder for any period after June 30, 1966, unless it makes a satisfactory showing that the State is extending the provision of maternal and child health services in the State with a view to making such services available by July 1, 1975, to children in all parts of the State.

Operation of State Plans

Sec. 505. In the case of any State plan for maternal and child-health services which has been approved by the Secretary of Health, Education, and Welfare, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 503 to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

Part 2—Services for Crippled Children

Appropriation

Sec. 511. For the purpose of enabling each State to extend and improve (especially in rural areas and in areas suffering from severe economic distress), as far as practicable under the conditions in such State, services for locating crippled children, and for providing medical, surgical, corrective, and other services and care, and facilities for diagnosis, hospitalization, and aftercare, for children who are crippled or who are suffering from conditions which lead to crippling, the following sums are hereby authorized to be appropriated: \$25,000,000 for the fiscal year ending June 30, 1963, \$30,000,000 for the fiscal year ending June 30, 1964, \$35,000,000 for the fiscal year ending June 30, 1965, \$45,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, \$55,000,000 for the fiscal year ending June 30, 1968, \$55,000,000 for the fiscal year ending June 30, 1969, and \$60,000,000 for the fiscal year ending June 30, 1970, and each fiscal year thereafter. The sums made available under this section, shall be used for making payments to States which have submitted and

had approved by the Secretary of Health, Education, and Welfare, State plans for such services.

Allotments to States

Sec. 512. (a) The Secretary shall allot one-half of the sum appropriated pursuant to section 511 for each fiscal year as follows: He shall allot to each State \$70,000 and shall allot the remainder of such one-half to the States according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 511 and the cost of furnishing such services to them.

(b) The Secretary shall also allot to the States (in addition to the allotments made pursuant to subsection (a)) the remaining one-half of the sum appropriated for each fiscal year under section 511. Such one-half shall be allotted from time to time according to the financial need of each State for assistance in carrying out its State plan, as determined by the Secretary after taking into consideration the number of crippled children in each State in need of the services referred to in section 511 and the cost of furnishing such services to them; except that not more than 25 per centum of such one-half shall be available for grants to State agencies (administering or supervising the administration of a State plan approved under section 513), and to public or other nonprofit institutions of higher learning (situated in any State), for special projects of regional or national significance which may contribute to the advancement of services for crippled children.

(c) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 514 until the end of the second succeeding fiscal year. No payment to a State under section 514 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

Approval of State Plans

Sec. 513. (a) A State plan for services for crippled children must (1) provide for financial participation by the State; (2) provide for the administration of the plan by a State agency or the supervision of the administration of the plan by a State agency; (3) provide such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Secretary shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan; (4) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for carrying out the purposes specified in section 511; (6) provide for cooperation with medical, health, nursing, and

welfare groups and organizations and with any agency in such State charged with administering State laws providing for vocational rehabilitation of physically handicapped children; and (7) effective July 1, 1967, provide for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary and included in the plan) of inpatient hospital services provided under the plan.

(b) The Secretary shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the State agency of his approval.

Payments to States

Sec. 514. (a) From the sums appropriated therefor and the allotments available under section 512(a), the Secretary of the Treasury shall pay to each State which has an approved plan for services for crippled children, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Health, Education, and Welfare shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Health, Education, and Welfare shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Health, Education, and Welfare finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health, Education, and Welfare for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State at the time or times fixed by the Secretary of Health, Education, and Welfare, the amount so certified.

(c) The Secretary of Health, Education, and Welfare shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States from the allotment available under section 512 (b), and the Secretary of the Treasury shall, through the Fiscal Service of the Treasury Department, and prior to audit or settlement

by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Health, Education, and Welfare. Payments of grants for special projects under section 512(b) or 516 may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine; and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of the grants.

(d) Notwithstanding the preceding provisions of this subsection, no payment shall be made to any State thereunder for any period after June 30, 1966, unless it makes a satisfactory showing that the State is extending the provision of crippled children's services in the State with a view to making such services available by July 1, 1975, to children in all parts of the State.

Operation of State Plans

Sec. 515. In the case of any State plan for services for crippled children which has been approved by the Secretary of Health, Education, and Welfare, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 513 to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

Training of Professional Personnel

Sec. 516. There are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1967, \$10,000,000 for the fiscal year ending June 30, 1968, and \$17,500,000 for each fiscal year thereafter, for grants by the Secretary to public or other nonprofit institutions of higher learning for training professional personnel for health and related care of crippled children, particularly mentally retarded children and children with multiple handicaps.

Part 3—Child-Welfare Services

Appropriation

Sec. 521. For the purpose of enabling the United States, through the Secretary, to cooperate with State public-welfare agencies in establishing, extending, and strengthening child welfare services, the following sums are hereby authorized to be appropriated: \$25,000,000 each for the fiscal year ending June 30, 1961, and the succeeding fiscal year, \$30,000,000 for the fiscal year ending June 30, 1963, \$35,000,000 for the fiscal year ending June 30, 1964, \$40,000,00 for the fiscal year ending June 30, 1965, \$45,000,000 for the fiscal year ending June 30, 1966, \$50,000,000 for the fiscal year ending June 30, 1967, \$55,000,000 for the fiscal year ending June 30, 1968, \$55,000,000 for the fiscal year ending June 30, 1969, and \$60,000,000 for the fiscal year ending June 30, 1970, and each fiscal year thereafter.

Allotments to States

Sec. 522. The sum appropriated pursuant to section 521 for each fiscal year shall be allotted by the Secretary for use by cooperating State public welfare agencies which have plans developed jointly by the State agency and the Secretary, as follows: He shall allot \$70,000 to each State, and shall allot to each State an amount which bears the same ratio to the remainder of the sum so appropriated for such year as the product of (1) the population of such State under the age of 21 and (2) the allotment percentage of such State (as determined under section 524) bears to the sum of the corresponding products of all the States.

Payment to States

Sec. 523. (a) From the sums appropriated therefor and the allotment available under this part, the Secretary shall from time to time pay to each State—

(1) that has a plan for child-welfare services which has been developed as provided in this part and which—

(A) provides for coordination between the services provided under such plan and the services provided for dependent children under the State plan approved under title IV, with a view to provision of welfare and related services which will best promote the welfare of such children and their families, and

(B) provides, with respect to day care services (including the provision of such care) provided under the plan—

(i) for cooperative arrangements with the State health authority and the State agency primarily responsible for State supervision of public schools to assure maximum utilization of such agencies in the provision of necessary health services and education for children receiving day care,

(ii) for an advisory committee, to advise the State public welfare agency on the general policy involved in the provision of day care services under the State plan, which shall include among its members representatives of other State agencies concerned with day care or services related thereto and persons representative of professional or civic or other public or nonprofit private agencies, organizations, or groups concerned with the provision of day care,

(iii) for such safeguards as may be necessary to assure provision of day care under the plan only in cases in which it is in the best interest of the child and the mother and only in cases in which it is determined, under criteria established by the State, that a need for such care exists; and, in cases in which the family is able to pay part or all of the costs of such care, for payment of such fees as may be reasonable in the light of such ability,

(iv) for giving priority, in determining the existence of need for such day care, to members of low-income or other groups in the population and to geographical areas

which have the greatest relative need for extension of such day care, and

(v) that day care provided under the plan will be provided only in facilities (including private homes) which are licensed by the State, or approved (as meeting the standards established for such licensing) by the State agency responsible for licensing facilities of this type, and

(2) that makes a satisfactory showing that the State is extending the provision of child-welfare services in the State, with priority being given to communities with the greatest need for such services after giving consideration to their relative financial need, and with a view to making available by July 1, 1975, in all political subdivisions of the State, for all children in need thereof, child-welfare services provided by the staff (which shall to the extent feasible be composed of trained child-welfare personnel) of the State public welfare agency or of the local agency participating in the administration of the plan in the political subdivision,

an amount equal to the Federal share (as determined under section 524) of the total sum expended under such plan (including the cost of administration of the plan) in meeting the costs of State, district, county, or other local child-welfare services, in developing State services for the encouragement and assistance of adequate methods of community child-welfare organization, in paying the costs of returning any runaway child who has not attained the age of eighteen to his own community in another State, and of maintaining such child until such return (for a period not exceeding fifteen days), in cases in which such costs cannot be met by the parents of such child or by any person, agency, or institution legally responsible for the support of such child: *Provided*, That in developing such services for children the facilities and experience of voluntary agencies shall be utilized in accordance with child-care programs and arrangements in the States and local communities as may be authorized by the State.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary shall, prior to the beginning of each period for which a payment is to be made, estimate the amount to be paid to the State for such period under the provisions of subsection (a).

(2) From the allotment available therefore, the Secretary shall pay the amount so estimated, reduced, or increased, as the case may be, by any sum (not previously adjusted under this section) by which he finds that his estimate of the amount to be paid the State for any prior period under this section was greater or less than the amount which should have been paid thereunder to the State for such prior period.

Allotment Percentage and Federal Share

Sec. 524. (a) The "allotment percentage" for any State shall be 100 per centum less the State percentage; and the State percentage shall be that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States; except that (A) the allotment percentage shall

in no case be less than 30 per centum or more than 70 per centum, and (B) the allotment percentage shall be 70 per centum in the case of Puerto Rico, the Virgin Islands, and Guam.

(b) For the fiscal year ending June 30, 1960, and each year thereafter, the "Federal share" for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States, except that (1) in no case shall the Federal share be less than $33\frac{1}{3}$ per centum or more than $66\frac{2}{3}$ per centum, and (2) the Federal share shall be $66\frac{2}{3}$ per centum in the case of Puerto Rico, the Virgin Islands, and Guam. For the fiscal year ending June 30, 1959, the Federal share shall be determined pursuant to the provisions of section 521 as in effect prior to the enactment of the Social Security Amendments of 1958.

(c) The Federal share and the allotment percentage for each State shall be promulgated by the Secretary between July 1 and August 31 of each even-numbered year, on the basis of the average per capita income of each State and of the United States for the three most recent calendar years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation: *Provided*, That the Secretary shall promulgate such Federal shares and allotment percentages as soon as possible after the enactment of the Social Security Amendments of 1958, which promulgation shall be conclusive for each of the 3 fiscal years in the period ending June 30, 1961.

(d) For purposes of this section, the term "United States" means the fifty States and the District of Columbia.

(e) Promulgations made before satisfactory data are available from the Department of Commerce for a full year on the per capita income of Alaska shall prescribe a Federal share for Alaska of 50 per centum and, for purposes of such promulgations, Alaska shall not be included as part of the "United States." Promulgations made thereafter but before per capita income data for Alaska for a full three-year period are available from the Department of Commerce shall be based on satisfactory data available therefrom for Alaska for such one full year or, when such data are available for a two-year period, for such two years.

Reallotment

Sec. 525. The amount of any allotment to a State under section 522 for any fiscal year which the State certifies to the Secretary will not be required for carrying out the State plan developed as provided in such section shall be available for reallotment from time to time, on such dates as the Secretary may fix, to other States which the Secretary determines (1) have need in carrying out their State plans so developed for sums in excess of those previously allotted to them under that section and (2) will be able to use such excess amounts during such fiscal year. Such reallotments shall be made on the basis of the State plans so developed, after taking into consideration the population under the age of twenty-one, and the per capita income of each such State as compared with the population under the age of twenty-one, and the per capita income of all such States with respect to which

such a determination by the Secretary has been made. Any amount so reallocated to a State shall be deemed part of its allotment under section 522.

Research, Training, or Demonstration Projects

Sec. 526. (a) There are hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine for grants by the Secretary to public or other nonprofit institutions of higher learning, and to public or other nonprofit agencies and organizations engaged in research or child-welfare activities, for special research or demonstration projects in the field of child welfare which are of regional or national significance and for special projects for the demonstration of new methods or facilities which show promise of substantial contribution to the advancement of child welfare; and for grants by the Secretary to public or other nonprofit institutions of higher learning for special projects for training personnel for work in the field of child welfare, including traineeships with such stipends and allowances as may be permitted by the Secretary.

(b) Payments of grants for special projects under this section may be made in advance or by way of reimbursement, and in such installments, as the Secretary may determine; and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of the grants.

Sec. 527. [Repealed.]

Definition

Sec. 528. For purposes of this part, the term "child-welfare services" means public social services which supplement, or substitute for, parental care and supervision for the purpose of (1) preventing or remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation, or delinquency of children, (2) protecting and caring for homeless, dependent, or neglected children, (3) protecting and promoting the welfare of children of working mothers, and (4) otherwise protecting and promoting the welfare of children, including the strengthening of their own homes where possible or, where needed, the provision of adequate care of children away from their homes in foster family homes or day-care or other child-care facilities.

Part 4—Grants for Special Maternity and Infant Care Projects, for Projects for Health of School and Preschool Children, and for Research Projects

Special Project Grants for Maternity and Infant Care

Sec. 531. (a) In order to help reduce the incidence of mental retardation caused by complications associated with childbearing, there are authorized to be appropriated \$5,000,000 for the fiscal year ending June 30, 1964, \$15,000,000 for the fiscal year ending June 30, 1965, \$30,000,000 for each of the next 2 fiscal years, and \$35,000,000 for the fiscal year ending June 30, 1968,⁴⁸ for grants to assist in meeting the cost of projects as provided in this section.

⁴⁸ P.L. 90-248, sec. 303, inserted "\$30,000,000 for each of the next 2 fiscal years, and \$35,000,000 for the fiscal year ending June 30, 1968" in lieu of "and \$30,000,000 for each of the next three fiscal years".

(b) From the sums appropriated pursuant to subsection (a), the Secretary is authorized to make grants to the State health agency of any State and, with the consent of such agency in the case of a project in which such agency is unable or unwilling to participate, to the health agency of any political subdivision of the State, to pay not to exceed 75 per centum of the cost (exclusive of general agency overhead) of any project for the provision of necessary health care to prospective mothers (including, after childbirth, health care to mothers and their infants) who have or are likely to have conditions associated with childbearing which increase the hazards to the health of the mothers or their infants (including those which may cause physical or mental defects in the infants) and whom the State or local health agency determines will not receive necessary health care because they are from low-income families or for other reasons beyond their control.

(c) Payments of grants under this section may be made (after necessary adjustment on account of previously made underpayments or overpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary may determine.

Special Project Grants for Health of School and Preschool Children

Sec. 532. (a) In order to promote the health of children and youth of school or preschool age, particularly in areas with concentrations of low-income families, there are authorized to be appropriated \$15,000,000 for the fiscal year ending June 30, 1966, \$35,000,000 for the fiscal year ending June 30, 1967, \$40,000,000 for the fiscal year ending June 30, 1968, \$45,000,000 for the fiscal year ending June 30, 1969, and \$50,000,00 for the fiscal year ending June 30, 1970, for grants as provided in this section.

(b) From the sums appropriated pursuant to subsection (a), the Secretary is authorized to make grants to the State health agency of any State and (with the consent of such agency) to the health agency of any political subdivision of the State, to the State agency of the State administering or supervising the administration of the State plan approved under section 513, to any school of medicine (with appropriate participation by a school of dentistry), and to any teaching hospital affiliated with such a school, to pay not to exceed 75 per centum of the cost of projects of a comprehensive nature for health care and services for children and youth of school age or for preschool children (to help them prepare to start school). No project shall be eligible for a grant under this section unless it provides (1) for the coordination of health care and services provided under it with, and utilization (to the extent feasible) of, other State or local health, welfare, and education programs for such children, (2) for payment of the reasonable cost (as determined in accordance with standards approved by the Secretary) of inpatient hospital services provided under the project, and (3) that any treatment, correction of defects, or aftercare provided under the project is available only to children who would not otherwise receive it because they are from low-income families or for other reasons beyond their control; and no such project for children and youth of school age shall be considered to be of a comprehensive nature for purposes of this section unless it includes (subject to the limitation in the preceding provisions of this sentence) at least such screening,

diagnosis, preventive services, treatment, correction of defects, and aftercare, both medical and dental, as may be provided for in regulations of the Secretary.

(c) Payment of grants under this section may be made (after necessary adjustments on account of previously made underpayments or overpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary may determine.

Research Projects Relating to Maternal and Child Health Services and Crippled Children's Services

Sec. 533. (a) There are authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1964, such sums, not exceeding \$8,000,000 for any fiscal year, as the Congress may determine to enable the Secretary to make grants to or jointly financed cooperative arrangements with public or other nonprofit institutions of higher learning, and public or other nonprofit agencies and organizations engaged in research or in maternal and child health or crippled children's programs, and contracts with public or nonprofit private agencies and organizations engaged in research or in such programs, for research projects relating to maternal and child health services or crippled children's services which show promise of substantial contribution to the advancement thereof.

(b) Payments of grants or under contracts or cooperative arrangements under this section may be made (after necessary adjustment, in the case of grants, on account of previously made underpayments or overpayments) in advance or by way of reimbursements, and in such installments and on such conditions, as the Secretary may determine.

Part 5—Administration

Sec. 541. (a) [Executed. Authorized appropriation for administrative expenses of the Federal Security Agency under this title for the fiscal year ending June 30, 1947.]

(b) The Secretary of Health, Education, and Welfare shall make such studies and investigations as will promote the efficient administration of this title, except section 531.

TITLE XI—GENERAL PROVISIONS

* * * * *

Limitation on Payments to Puerto Rico, the Virgin Islands, and Guam

Sec. 1108. The total amount certified by the Secretary of Health, Education, and Welfare under title I (other than section 3(a)(3) thereof), IV, X, XIV, and XVI (other than section 1603(a)(3) thereof) for payment to Puerto Rico with respect to any fiscal year shall not exceed \$9,800,000; the total amount certified by the Secretary under such titles for payments to the Virgin Islands with respect to any fiscal year shall not exceed \$330,000; and the total amount certified by the Secretary under such titles for payment to Guam with respect to any fiscal year shall not exceed \$450,000. Notwithstanding the provisions of sections 502(a)(2), 512(a)(2), and 522(a), and until

such time as the Congress may by appropriation or other law otherwise provide, the Secretary shall, in lieu of the initial allotment specified in such sections, allot such smaller amounts to Guam as he may deem appropriate.

* * * * *

Maintenance of State Effort

Sec. 1117. (a) The total of the amounts determined under sections 3, 403, 1003, 1403, 1603, and 1903 for any State for any quarter beginning after June 30, 1966,⁴⁹ and ending before July 1, 1969, shall be reduced to the extent that—

(1) the excess of (A) the total of the amounts determined for the State under sections 3, 403, 1003, 1403, 1603, and 1903 for such quarter over (B) the total of the amounts determined for the State under sections 3, 403, 1003, 1403, and 1603 for the same quarter of the fiscal year ending June 30, 1965, is greater than

(2) the excess of (A) the total of the expenditures for such quarter (for which the determination is being made) under the plans of the State approved under titles I, X, XIV, XVI, and XIX, and part A of title IV,⁵⁰ over (B) the total of the expenditures under the State plans of the State approved under titles I, IV, X, XIV, and XVI for the same quarter of the fiscal year ending June 30, 1965;

except that, at the option of the State, any of the following may be substituted (with respect to the quarters of any fiscal year) for the amount determined as provided in paragraph (1) (B)—

(3) the total of the amounts determined for the State under sections 3, 403, 1003, 1403, and 1603 for the same quarter in the fiscal year ending June 30, 1964; or

(4) the average of the totals determined for the State under sections 3, 403, 1003, 1403, and 1603 for each quarter in the fiscal year ending June 30, 1964, or June 30, 1965.

If the substitution of the total referred to in paragraph (3) is chosen by the State, there shall be substituted for the amount determined under clause (B) of paragraph (2) the total of the expenditures under the plans of the State approved under titles I, IV, X, XIV, and XVI for the quarter referred to in such paragraph (3). If the substitution of the average for either of the years referred to in paragraph (4) is chosen by the State, there shall be substituted for the amount determined under clause (B) of paragraph (2) the average of the total expenditures under the plans of the State approved under titles I, IV, X, XIV, and XVI for each quarter in the same fiscal year.

For any fiscal year ending on or after June 30, 1967, and before July 1, 1968, in lieu of the substitution provided by paragraph (3) or (4), at the option of the State (i) paragraphs (1) and (2) of this subsection shall be applied on a fiscal year basis (rather than on a quarterly basis), and (ii) the base period fiscal year shall be either the fiscal year ending June 30, 1965, or the fiscal year ending June 30, 1964 (whichever is chosen by the State).⁵¹

⁴⁹ P.L. 90-248, sec. 221(c), inserted "June 30, 1966" in lieu of "December 31, 1965".

⁵⁰ P.L. 90-248, sec. 241(c)(6)(A), deleted "IV," which appeared before the numeral "X", and inserted ", and part A of title IV,".

⁵¹ P.L. 90-248, sec. 221(a), added the last sentence at the end of section 1117(a).

(b) For purposes of this section, expenditures under the plans of any State approved under titles I, X, XIV, XVI, and XIX, and part A of title IV,⁵² and the reduction determined with respect thereto under this section, shall be determined on the basis of data furnished by the State in the quarterly reports submitted by the State to the Secretary pursuant to and in accordance with the requirements of the Secretary under title I, X, XIV, XVI, or XIX, or part A of title IV;⁵³ and determinations so made shall be conclusive for purposes of this section.

(c) If a reduction is required under the preceding provisions of this section in the total of the amounts determined for a State under sections 3, 403, 1003, 1403, 1603, and 1903 for any quarter, the Secretary shall determine which of such amounts shall be reduced and the extent thereof in such manner as in his judgment will best carry out the purpose of maintaining State effort under the Federal-State public assistance programs of the State, and with the total of such reductions to be equal to the reduction required under subsections (a) and (b) of this section.

(d) (1) In the case of the quarters in any fiscal year ending before July 1, 1968, the reduction (if any) under this section shall, at the option of the State, be determined under paragraph (2), (3), or (4) of this subsection instead of under the preceding provisions of this section.

(2) If the reduction determination is made under this paragraph for a State, then—

(A) subsection (a) shall be applied by taking into account only money payments under plans of the State approved under titles I, X, XIV, and XVI, and part A of title IV,

(B) subsection (b) shall be applied by eliminating each reference to title XIX, and

(C) subsection (c) shall be applied by eliminating the reference to section 1903, and by substituting a reference to this paragraph for the reference to subsections (a) and (b).

(3) If the reduction determination is made under this paragraph for a State, then—

(A) subsection (a) shall be applied by taking into account payments under section 523 and section 422,

(B) subsection (b) shall be applied by adding a reference to section 523 and section 422 after each reference to title XIX, and

(C) subsection (c) shall be applied by adding a reference to section 523 and section 422 after the reference to section 1903, and by substituting a reference to this paragraph for the reference to subsections (a) and (b).

(4) If the reduction determination is made under this paragraph for a State, then—

(A) subsection (a) shall be applied by taking into account only (i) money payments under plans of the State approved under

⁵² P.L. 90-248, sec. 241(c)(6)(B) and (C), deleted "IV," which appeared before the numeral "X," and inserted "and part A of title IV."

⁵³ P.L. 90-248, sec. 241(c)(6)(B) and (D), deleted "IV," which appeared before the numeral "X," and inserted "or part A of title IV".

titles I, X, XIV, and XVI, and part A of title IV, and (ii) payments under section 523 and section 422,

(B) subsection (b) shall be applied by eliminating each reference to title XIX and substituting a reference to section 523 and section 422, and

(C) subsection (c) shall be applied by eliminating the reference to section 1903 and substituting a reference to section 523 and section 422, and by substituting a reference to this paragraph for the reference to subsections (a) and (b).⁵⁴

TITLE XVIII—HEALTH INSURANCE FOR THE AGED

* * * * *

Health Insurance Benefits Advisory Council

Sec. 1867. For the purpose of advising the Secretary on matters of general policy in the administration of this title and in the formulation of regulations under this title, there is hereby created a Health Insurance Benefits Advisory Council which shall consist of 16 persons, not otherwise in the employ of the United States, appointed by the Secretary without regard to the civil service laws. The Secretary shall from time to time appoint one of the members to serve as Chairman. The members shall include persons who are outstanding in fields related to hospital, medical, and other health activities, and at least one person who is representative of the general public. Each member shall hold office for a term of 4 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, four at the end of the first year, four at the end of the second year, four at the end of the third year, and four at the end of the fourth year after the date of appointment. A member shall not be eligible to serve continuously for more than 2 terms. The Secretary may, at the request of the Council or otherwise, appoint such special advisory professional or technical committees as may be useful in carrying out this title. Members of the Advisory Council and members of any such advisory or technical committee, while attending meetings or conferences thereof or otherwise serving on business of the Advisory Council or of such committee, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently. The Advisory Council shall meet as frequently as the Secretary deems necessary.

⁵⁴ P.L. 90-248, sec. 221(b), added subsection (d) at the end of section 1117.

Upon request of 4 or more members, it shall be the duty of the Secretary to call a meeting of the Advisory Council.

National Medical Review Committee

Sec. 1868. (a) There is hereby created a National Medical Review Committee (hereinafter in this section referred to as the "Committee") which shall consist of nine persons, not otherwise in the employ of the United States, appointed by the Secretary without regard to the civil service laws. The Secretary shall from time to time appoint one of the members to serve as chairman. The members shall be selected from among individuals who are representative of organizations and associations of professional personnel in the field of medicine and other individuals who are outstanding in the field of medicine or in related fields; except that at least one member shall be representative of the general public, and at least a majority of the members shall be physicians. Each member shall hold office for a term of three years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, three at the end of the first year, three at the end of the second year, and three at the end of the third year after the date of appointment. A member shall not be eligible to serve continuously for more than two terms.

(b) Members of the Committee, while attending meetings or conferences thereof or otherwise serving on business of the Committee, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(c) It shall be the function of the Committee to study the utilization of hospital and other medical care and services for which payment may be made under this title with a view to recommending any changes which may seem desirable in the way in which such care and services are utilized or in the administration of the programs established by this title, or in the provisions of this title. The Committee shall make an annual report to the Secretary of the results of its study, including any recommendations it may have with respect thereto, and such report shall be transmitted promptly by the Secretary to the Congress.

(d) The Committee is authorized to engage such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Committee such secretarial, clerical, and other assistance and such pertinent data obtained and prepared by the Department of Health, Education, and Welfare as the Committee may require to carry out its functions.

SELECTED PROVISIONS OF OTHER LAWS RELATING TO THE SOCIAL SECURITY ACT

ACT OF APRIL 9, 1912

(37 Stat. 79) (42 U.S.C. 191)

An Act To Establish in the Department of Commerce and Labor a Bureau To Be Known as the Children's Bureau

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be established in the Department of Commerce and Labor a bureau to be known as the Children's Bureau.^{1 2 3}

Sec. 2. That the said bureau shall be under the direction of a chief, to be appointed by the President, by and with the advice and consent of the Senate, and who shall receive an annual compensation of five thousand dollars. The said bureau shall investigate and report to said department upon all matters pertaining to the welfare of children and child life among all classes of our people, and shall especially investigate the questions of infant mortality, the birth rate, orphanage, juvenile courts, desertion, dangerous occupations, accidents and diseases of children, employment, legislation affecting children in the several States and Territories. But no official, or agent, or representative of said bureau shall, over the objection of the head of the family, enter any house used exclusively as a family residence. The chief of said bureau may from time to time publish the results of these investigations in such manner and to such extent as may be prescribed by the Secretary of Commerce and Labor.

Sec. 3. That there shall be in said bureau, until otherwise provided for by law, an assistant chief, to be appointed by the Secretary of Commerce and Labor, who shall receive an annual compensation of two thousand four hundred dollars; one private secretary to the chief of the bureau, who shall receive an annual compensation of one thousand five hundred dollars; one statistical expert, at two thousand dollars; two clerks of class four; two clerks of class three; one clerk of class two; one clerk of class one; one clerk, at one thousand dollars; one copyist, at nine hundred dollars, one special agent, at one thousand four hundred dollars; one special agent, at one thousand two hundred dollars, and one messenger at eight hundred and forty dollars.

Sec. 4. That the Secretary of Commerce and Labor is hereby directed to furnish sufficient quarters for the work of this bureau at an annual rental not to exceed two thousand dollars.

Sec. 5. That this Act shall take effect and be in force from and after its passage.

Approved, April 9, 1912.

¹ Transferred from Department of Commerce and Labor to Department of Labor by Act approved March 4, 1913 (37 Stat. 737).

² Transferred, with the exception of the Industrial Division, from the Department of Labor to the Federal Security Agency on July 16, 1946 as directed by the President's Reorganization Plan No. 2 (11 Federal Register, p. 7873, July 20, 1946). See p. 896.

³ Transferred January 28, 1963 to the newly created Welfare Administration (now the Social and Rehabilitation Service) in the Department of Health, Education, and Welfare.

ACT OF AUGUST 11, 1939

P.L. 400, 76th Congress (53 Stat. 1420) (42 U.S.C. 1001nt)

(Hurricane Salvage Work Before 1940)

Sec. 2. No tax shall be collected under title VIII or IX of the Social Security Act or under the Federal Insurance Contributions Act or the Federal Unemployment Tax Act, with respect to services rendered prior to January 1, 1940, in the employ of the owner or tenant of land, in salvaging timber on such land or clearing such land of brush and other debris left by a hurricane; and any such tax heretofore collected (including penalty and interest with respect thereto, if any), shall be refunded in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax. No interest shall be allowed or paid on the amount of any such refund. No payment shall be made under title II of the Social Security Act with respect to such services rendered prior to January 1, 1940.

* * * * *

ACT OF AUGUST 13, 1940

P.L. 764, 76th Congress (54 Stat. 785) (45 U.S.C. 151 nt)

(Mining of Coal)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1(a) of the Railroad Retirement Act of 1937, section 1(a) of the Carriers Taxing Act of 1937, section 1532(a) of the Internal Revenue Code, and section 1(a) of the Railroad Unemployment Insurance Act are amended, effective in the case of each such Act as of the date of its enactment, by adding at the end of each such section the following new sentence: "The term 'employer' shall not include any company by reason of its being engaged in the mining of coal, the supplying of coal to an employer where delivery is not beyond the mine tippie, and the operation of equipment or facilities therefor, or in any of such activities."

Sec. 2. Section 1(a) of the Railroad Retirement Act of 1935 and paragraph First of section 1 of the Railway Labor Act, as amended, are amended, effective in the case of each such Act as of the date of its enactment, by adding at the end of each such section and paragraph the following new sentence: "The term 'carrier' shall not include any company by reason of its being engaged in the mining of coal the supplying of coal to a carrier where delivery is not beyond the mine tippie, and the operation of equipment or facilities therefor, or in any of such activities."

Sec. 3. Section 1(b) of the Railroad Retirement Act of 1937, section 1(b) of the Carriers Taxing Act of 1937, section 1532(b) of the Internal Revenue Code, the first paragraph of section 1(d) of the Railroad Unemployment Insurance Act, (section 1(b) of the Railroad Retirement Act of 1935, and paragraph Fifth of section 1 of the Railway Labor Act, as amended, are amended in the case of each such Act as of the date of its enactment, by adding at the end of each such section and paragraph the following new paragraph:

"The term 'employee' shall not include any individual while such individual is engaged in the physical operations consisting of the mining of coal, the preparation of coal, the handling (other than movement by rail with standard railroad locomotives) of coal not beyond the mine tippie, or the loading of coal at the tippie."

Sec. 4. (a) The laws hereby expressly amended, the Social Security Act, approved August 14, 1935, and all amendments thereto, shall operate as if each amendment herein contained had been enacted as a part of the law it amends, at the time of the original enactment of such law.

(b) No person (as defined in the Carriers Taxing Act of 1937) shall be entitled, by reason of the provisions of this Act, to a refund of, or

relief from liability for, any income or excise taxes paid or accrued, pursuant to the provisions of the Carriers Taxing Act of 1937 or subchapter B of chapter 9 of the Internal Revenue Code, prior to the date of the enactment of this Act by reason of employment in the service of any carrier by railroad subject to part I of the Interstate Commerce Act, but any individual who has been employed in such service of any carrier by railroad subject to part I of the Interstate Commerce Act as is excluded by the amendments made by this Act from coverage under the Carriers Taxing Act of 1937 and subchapter B of chapter 9 of the Internal Revenue Code, and who has paid income taxes under the provisions of such Act or subchapter, and any carrier by railroad subject to part I of the Interstate Commerce Act which has paid excise taxes under the provisions of the Carriers Taxing Act of 1937 or subchapter B of chapter 9 of the Internal Revenue Code, may, upon making proper application therefor to the Bureau of Internal Revenue,¹ have the amount of taxes so paid applied in reduction of such tax liability with respect to employment, as may, by reason of the amendments made by this Act, accrue against them under the provisions of title VIII of the Social Security Act or the Federal Insurance Contributions Act (subchapter A of chapter 9 of the Internal Revenue Code).

(c) Nothing contained in this Act shall operate (1) to affect any annuity, pension, or death benefit granted under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937, prior to the date of enactment of this Act, or (2) to include any of the services on the basis of which any such annuity or pension was granted, as employment within the meaning of section 210(b) of the Social Security Act or section 209(b) of such Act, as amended. In any case in which a death benefit alone has been granted, the amount of such death benefit attributable to services, coverage of which is affected by this Act, shall be deemed to have been paid to the deceased under section 204 of the Social Security Act in effect prior to January 1, 1940, and deductions shall be made from any insurance benefit or benefits payable under the Social Security Act, as amended, with respect to wages paid to an individual for such services until such deductions total the amount of such death benefit attributable to such services.

(d) Nothing contained in this Act shall operate to affect the benefit rights of any individual under the Railroad Unemployment Insurance Act for any day of unemployment (as defined in section 1(k) of such Act) occurring prior to the date of enactment of this Act.

Sec. 5. Any application for payment filed with the Railroad Retirement Board prior to, or within sixty days after, the enactment of this Act shall, under such regulations as the Social Security Board may prescribe, be deemed to be an application filed with the Social Security Board by such individual or by any person claiming any payment with respect to the wages of such individual, under any provision of section 202 of the Social Security Act, as amended.

Sec. 6. Nothing contained in this Act, nor the action of Congress in adopting it, shall be taken or considered as affecting the question of what carriers, companies, or individuals, other than those in this

¹ Now the Internal Revenue Service.

Act specifically provided for, are included in or excluded from the provisions of the various laws to which this Act is an amendment.

Sec. 7. (a) Notwithstanding the provisions of section 1605(b) of the Internal Revenue Code, no interest shall, during the period February 1, 1940, to the eighty-ninth day after the date of enactment of this Act, inclusive, accrue by reason of delinquency in the payment of the tax imposed by section 1600 with respect to services affected by this Act performed during the period July 1, 1939, to December 31, 1939, inclusive, with respect to which services amounts have been paid as contributions under the Railroad Unemployment Insurance Act prior to the date of enactment of this Act.

(b) Notwithstanding the provisions of section 1601(a)(3) of the Internal Revenue Code, the credit allowable under section 1601(a) against the tax imposed by section 1600 for the calendar year 1939 shall not be disallowed or reduced by reason of the payment into a State unemployment fund after January 31, 1940, of contributions with respect to services affected by this Act performed during the period July 1, 1939, to December 31, 1939, inclusive, with respect to which services amounts have been paid as contributions under the Railroad Unemployment Insurance Act prior to the date of enactment of this Act: *Provided*, That this subsection shall be applicable only if the contributions with respect to such services are paid into the State unemployment fund before the ninetieth day after the date of enactment of this Act.

Approved, August 13, 1940.

ACT OF MARCH 24, 1943

P.L. 17, 78th Congress (57 Stat. 45) (50 U.S.C. App. 1291)

(Maritime Employees of the War Shipping Administration)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) officers and members of crews (hereinafter referred to as "seamen") employed on United States or foreign flag vessels as employees of the United States through the War Shipping Administration shall, with respect to (1) laws administered by the Public Health Service and the Social Security Act, as amended by subsection (b) (2) and (3) of this section; (2) death, injuries, illness, maintenance and cure, loss of effects, detention or repatriation, or claims arising therefrom not covered by the foregoing clause (1); and (3) collection of wages and bonuses and making of allotments, have all of the rights, benefits, exemptions, privileges, and liabilities, under law applicable to citizens of the United States employed as seamen on privately owned and operated American vessels. Such seamen, because of the temporary wartime character of their employment by the War Shipping Administration, shall not be considered as officers or employees of the United States for the purposes of the United States Employees Compensation Act as amended; the Civil Service Retirement Act, as amended; the Act of Congress approved March 7, 1942 (Public Law 490, Seventy-seventh Congress); or the Act entitled "An Act to provide benefits for the injury, disability, death, or detention of employees of contractors with the United States and certain other persons or reimbursement therefor," approved December 2, 1942 (Public Law 784, Seventy-seventh Congress). Claims arising under clause (1) hereof shall be enforced in the same manner as such claims would be enforced if the seaman were employed on a privately owned and operated American vessel. Any claim referred to in clause (2) or (3) hereof shall, if administratively disallowed in whole or in part, be enforced pursuant to the provisions of the Suits in Admiralty Act, notwithstanding the vessel on which the seaman is employed is not a merchant vessel within the meaning of such Act. Any claim, right, or cause of action of or in respect of any such seaman accruing on or after October 1, 1941, and prior to the date of enactment of this section may be enforced, and upon the election of the seaman or his surviving dependent or beneficiary, or his legal representative to do so shall be governed, as if this section had been in effect when such claim, right, or cause of action accrued, such election to be made in accordance with rules and regulations prescribed by the Administrator, War Shipping Administration. Rights of any seaman under the Social Security Act as amended by subsection (b) (2) and (3),

and claims therefor shall be governed solely by the provisions of such Act, so amended. When used in this subsection the term "administratively disallowed" means a denial of a written claim in accordance with rules and regulations prescribed by the Administrator, War Shipping Administration. When used in this subsection the terms "War Shipping Administration" and "Administrator, War Shipping Administration" shall be deemed to include the United States Maritime Commission with respect to the period beginning October 1, 1941, and ending February 11, 1942, and the term "seaman" shall be deemed to include any seaman employed as an employee of the United States through the War Shipping Administration on vessels made available to or subchartered to other agencies or departments of the United States.

ACT OF MAY 26, 1948, AS AMENDED

(62 Stat. 274) (5 U.S.C. 8141)

An Act To Establish Civil Air Patrol as a Civilian Auxiliary of the United States Air Force and To Authorize the Secretary of the Air Force To Extend Aid to Civil Air Patrol in the Fulfillment of Its Objectives, and for Other Purposes

* * * * *

Sec. 3. (a) Volunteer civilian members of Civil Air Patrol, except Civil Air Patrol Cadets, shall, for the purpose of administration of the Federal Employees' Compensation Act, be deemed to be civilian employees of the United States within the meaning of the term "employee" as defined in section 40 of that Act, and the provisions of that Act shall apply to them in all respects, subject to the remaining provisions of this section.

(b) In administering that Act for members covered by this section—

(1) the monthly pay of such member shall, for the purpose of computing compensation for disability or death, be considered to be \$300;

(2) the percentages applicable to payments under section 10 of that Act are—

(A) 45 per centum for clause (C) of that section, in any case where the member died fully or currently insured under title II of the Social Security Act, with no additional payments for a child or children so long as the widow or widower remains eligible for payments under that clause;

(B) 20 per centum for clause (D) of that section, for one child and 10 per centum additional for each additional child, but not more than a total of 75 per centum, in any case where the member died fully or currently insured under title II of the Social Security Act; and

(C) 25 per centum for clause (E) of that section, if one parent was wholly dependent for support upon the deceased member at the time of his death and the other was not dependent to any extent; 16 per centum to each, if both were wholly dependent; and if one was, or both were, partly dependent, a proportionate amount in the discretion of the Secretary of Labor;

(3) no payments may be made under clause (F) of that section;

(4) the term "performance of duty", as used in that Act, means only active service, and travel to and from such service, rendered in performance or support of operational missions of the Civil Air Patrol, under direction of the Department of the Air Force, and under written authorization by competent authority covering a specific assignment and prescribing a time limit for such assignment; and

(5) the Secretary of Labor, or his designee, shall inform the Secretary of Health, Education, and Welfare whenever a claim is filed and eligibility for compensation is established under clause (C) or clause (D) of section 10 of that Act, and that Secretary shall then certify to the Secretary of Labor as to whether or not the member concerned was fully or currently insured under title II of the Social Security Act at the time of his death.

(c) When a claim is filed, the Secretary of Labor or his designee may inform the Secretary of the Air Force or his designee, who shall advise, if so requested, the Secretary of Labor concerning the facts with respect to the injury, including the question whether at the time of injury the member of the Patrol was rendering service, or engaged in travel to or from such service, in performance or support of an operational mission of the Patrol: *Provided*, That this shall not be construed to dispense with the reports of the member's immediate superior required under section 24, or other reports agreed upon under section 28a of that Act.

(d) The provisions of this section shall be applicable as of May 20, 1941, in the cases of members of the Civil Air Patrol as it existed under and pursuant to Executive Order 8757 of May 20, 1941, as amended by Executive Order 9134 of April 15, 1942, and Executive Order 9339 of April 29, 1943: *Provided*, That the time limitations in that Act, in respect to notice of injury and claim for compensation, shall not begin to run until the date of enactment of this Act: *Provided further*, That no benefits under that Act shall accrue or be payable in any case for any period prior to the date of this Act, but this provision shall not bar the payment or reimbursement of medical and other expenses as authorized by sections 9 and 11 of that Act, if not otherwise paid or furnished by the United States: *Provided further*, That, with respect to services rendered prior to the enactment of this Act, the term "performance of duty," as used in that Act, shall mean only active service, and travel to and from such service, rendered in performance or support of operational missions of the Civil Air Patrol, under direction of the Office of Civilian Defense, the Department of the Army (War), including the Army Air Forces, or the Department of the Air Force: *And provided further*, That the entitlement of any person to receive benefits from the United States under any other provision of law in effect prior to the date of enactment of this Act for an injury or death for which benefits are authorized by this Act is hereby terminated.

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ACT OF APRIL 19, 1950

(P.L. 474, 81st Cong.) (64 Stat. 47) (25 U.S.C. 639)

* * * * *

(Relating to Navajo and Hopi Indians)

Sec. 9. Beginning with the quarter commencing July 1, 1950, the Secretary of the Treasury shall pay quarterly to each State (from sums made available for making payments to the States under sections 3(a), 403(a), and 1003(a) of the Social Security Act) an amount, in addition to the amounts prescribed to be paid to such State under such sections, equal to 80 per centum of the total amounts of contributions by the State toward expenditures during the preceding quarter by the State, under the State plans approved under the Social Security Act for old-age assistance, aid to dependent children, and aid to the needy blind, to Navajo and Hopi Indians residing within the boundaries of the State on reservations or on allotted or trust lands, with respect to whom payments are made to the State by the United States under sections 3(a), 403(a) and 1003(a), respectively, of the Social Security Act, not counting so much of such expenditure to any individual for any month as exceeds the limitations prescribed in such sections.

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ACT OF OCTOBER 30, 1951

(65 Stat. 683) (45 U.S.C. 228a nt)

* * * * *

Effective Dates

Sec. 25. (a) Except as otherwise specifically provided, the amendments made by this Act shall take effect with respect to benefits accruing under the Railroad Retirement Acts and the Social Security Act after the last day of the month in which this Act is enacted, irrespective of when service or employment occurred or compensation or wages were earned: *Provided, however,* That, in the recomputation pursuant to this Act of survivor annuities heretofore awarded, the basic amount shall not be recomputed.

* * * * *

(d) In the case of any retirement or survivor annuity awarded under the Railroad Retirement Acts prior to the date of enactment of this Act and currently payable, if such annuity was awarded to, or with respect to the death of, any individual who has completed less than ten years of service, then the amendments made by this Act shall apply with respect to such annuity as if such individual had met the requirement of ten years of service which is imposed as a condition to benefits under the Railroad Retirement Act of 1937, as amended by this Act. In addition, the spouse of any such individual shall not, during such individual's lifetime, be barred from a spouse's annuity under such Act by reason of the fact that such individual has completed less than ten years of service.

* * * * *

ACT OF SEPTEMBER 1, 1954

(Public Law 769, 83d Cong., 68 Stat. 1142) (5 U.S.C. 8311)

An Act To Prohibit Payment of Annuities to Officers and Employees of the United States Convicted of Certain Offenses, and for Other Purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

(a) there shall not be paid to any person convicted, prior to, on or after September 1, 1954, under any article or provision of law specified or described in this subsection, of any offense within the purview of such article or provision to the extent provided in this subsection, or to any survivor or beneficiary of such persons so convicted, for any period subsequent to the date of such conviction or subsequent to September 1, 1954, whichever date is later, any annuity or retired pay on the basis of the service of such person (subject to the exceptions contained in section 10 (2) and (3) of this Act) which is creditable toward such annuity or retired pay—

(1) any offense within the purview of—

(A) section 792 (harboring or concealing persons), 793 (gathering, transmitting, or losing defense information), 794 (gathering or delivering defense information to aid foreign government), or 798 (disclosure of classified information), of chapter 37 (relating to espionage and censorship) of title 18 of the United States Code,

(B) chapter 105 (relating to sabotage) of title 18 of the United States Code,

(C) section 2381 (treason), 2382 (misprision of treason), 2383 (rebellion or insurrection), 2384 (seditious conspiracy), 2385 (advocating overthrow of government), 2387 (activities affecting armed forces generally), 2388 (activities affecting armed forces during war), 2389 (recruiting for service against United States), or 2390 (enlistment to serve against United States), of chapter 115 (relating to treason, sedition, and subversive activities) of title 18 of the United States Code,

(D) section 10(b)(2), 10(b)(3), or 10(b)(4) of the Atomic Energy Act of 1946 (60 Stat. 766, 767; 42 U.S.C., 1952 edition, sec. 1810(b)(2), (3) and (4), as in effect prior to the enactment of the Atomic Energy Act of 1954 by the Act of August 30, 1954 (68 Stat. 919; Public Law 703, Eighty-third Congress; 42 U.S.C. 2011-2281),

(E) section 16(a) or 16(b) of the Atomic Energy Act of 1946 (60 Stat. 773; 42 U.S.C., 1952 edition, sec. 1816(a) and (b) as in effect prior to the enactment of the Atomic Energy Act of 1954 by the Act of August 30, 1954, insofar

as such offense under such section 16(a) or 16(b) is committed with intent to injure the United States or with intent to secure an advantage to any foreign nation, or

(F) any prior provision of law on which any provision of law specified in subparagraph (A), (B), or (C) of this paragraph is based;

(2) any offense within the purview of—

(A) article 104 (aiding the enemy) or article 106 (spies) of the Uniform Code of Military Justice (chapter 47 of title 10 of the United States Code) or any prior article on which such article 104 or article 106, as the case may be, is based, or

(B) any current article of the Uniform Code of Military Justice (or any prior article on which such current article is based) not specified or described in subparagraph (A) of this paragraph on the basis of charges and specifications describing a violation of any provision of law specified or described in paragraph (1), (3), or (4) of this subsection if the executed sentence includes death, dishonorable discharge, or dismissal from the service, or if the defendant dies before execution of such sentence as finally approved;

(3) perjury committed under the laws of the United States or of the District of Columbia—

(A) in falsely denying the commission of an act which constitutes any of the offenses—

(i) within the purview of any provision of law specified or described in paragraph (1) of this subsection, or

(ii) within the purview of any article or provision of law specified or described in paragraph (2) of this subsection insofar as such offense is within the purview of any article or provision of law specified or described in paragraph (1) or paragraph (2) (A) of this subsection,

(B) in falsely testifying before any Federal grand jury, court of the United States, or court-martial with respect to his service as an officer or employee of the Government in connection with any matter involving or relating to any interference with or endangerment of, or involving or relating to any plan or attempt to interfere with or endanger, the national security or defense of the United States, or

(C) in falsely testifying before any congressional committee in connection with any matter under inquiry before such congressional committee involving or relating to any interference with or endangerment of, or involving or relating to any plan or attempt to interfere with or endanger, the national security or defense of the United States; and

(4) subornation of perjury committed in connection with the false denial or false testimony of another person as specified in paragraph (3) of this subsection.

(b) There shall not be paid to any person convicted, prior to, on, or after the date of enactment of this amendment, under any article or provision of law specified or described in this subsection, of any offense within the purview of such article or provision to the extent

provided in this subsection, or to any survivor or beneficiary of such person so convicted, for any period subsequent to the date of such conviction or subsequent to the date of enactment of this amendment, whichever date is later, any annuity or retired pay on the basis of the service of such person (subject to the exceptions contained in section 10 (2) and (3) of this Act) which is creditable toward such annuity or retired pay—

(1) any offense within the purview of—

(A) section 222 (violation of specific sections) or section 223 (violation of sections generally of the Atomic Energy Act of 1954 (68 Stat. 985; 42 U.S.C. 2272 and 2273)) insofar as such offense under such section 222 or 223 is committed with intent to injure the United States or with intent to secure an advantage to any foreign nation,

(B) section 224 (communication of restricted data), section 225 (receipt of restricted data), or section 226 (tampering with restricted data) of the Atomic Energy Act of 1954 (68 Stat. 958 and 959; 42 U.S.C. 2274, 2275, and 2276), or

(C) section 4 (conspiracy and communication or receipt of classified information), section 112 (conspiracy or evasion of apprehension during internal security emergency), or section 113 (aiding evasion of apprehension during internal security emergency) of the Internal Security Act of 1950 (64 Stat. 991, 1029, and 1030; 50 U.S.C. 783, 822, and 823);

(2) any offense within the purview of any current article of the Uniform Code of Military Justice (chapter 47 of title 10 of the United States Code), or any prior article on which such current article is based, on the basis of charges and specifications describing a violation of any provision of law specified or described in paragraph (1), (3), or (4) of this subsection, if the executed sentence includes death, dishonorable discharge, or dismissal from the service, or if the defendant dies before execution of such sentence as finally approved;

(3) perjury committed under the laws of the United States or the District of Columbia in falsely denying the commission of an act which constitutes any of the offenses within the purview of any provision of law specified or described in paragraph (1) of this subsection; and

(4) subornation of perjury committed in connection with the false denial of another person as specified in paragraph (3) of this subsection.

Sec. 2. (a) There shall not be paid to any person who, prior to, on, or after September 1, 1954, has refused or refuses, or knowingly and willfully has failed or fails, to appear, testify, or produce any book, paper, record, or other document, relating to his service as an officer or employee of the Government, before a Federal grand jury, court of the United States, court-martial, or congressional committee, in any proceeding with respect to—

(1) any relationship which he has had or has with a foreign government, or

(2) any matter involving or relating to any interference with or endangerment of, or involving or relating to any plan or at-

tempt to interfere with or endanger, the national security or defense of the United States, or to the survivor or beneficiary of such person, for any period subsequent to September 1, 1954, or subsequent to the date of such failure or refusal of such person, whichever date is later, any annuity or retired pay on the basis of the service of such person (subject to the exceptions contained in section 10 (2) and (3) of this Act) which is creditable toward such annuity or retired pay.

(b) There shall not be paid to any person who, prior to, on, or after September 1, 1954, knowingly and willfully, has made or makes any false, fictitious, or fraudulent statement or representation, or who, prior to, on, or after such date, knowingly and willfully, has concealed or conceals any material fact, with respect to his—

(1) past or present membership in, affiliation or association with, or support of the Communist Party, or any chapter, branch, or subdivision thereof, in or outside the United States, or any other organization, party, or group advocating (A) the overthrow, by force, violence, or other unconstitutional means, of the Government of the United States, (B) the establishment, by force, violence, or other unconstitutional means, of a Communist totalitarian dictatorship in the United States, or (C) the right to strike against the Government of the United States,

(2) conviction, under any article or provision of law specified or described in subsection (a) of the first section of this Act, of any offense within the purview of such subsection (a) to the extent provided in such subsection, or

(3) failure or refusal to appear, and testify, or produce any book, paper, record, or other document, as specified in subsection (a) of this section,

for any period subsequent to September 1, 1954, or subsequent to the date on which any such statement, representation, or concealment of fact is made or occurs, whichever date is later, in any document executed by such person in connection with his employment in, or application for, a civilian or military office or position in or under the legislative, executive, or judicial branch of the Government of the United States or the government of the District of Columbia, or to the survivor or beneficiary of such person, any annuity or retired pay on the basis of the service of such person (subject to the exceptions contained in section 10 (2) and (3) of this Act) which is creditable toward such annuity or retired pay.

(c) There shall not be paid to any person who, prior to, on, or after the date of enactment of this amendment, knowingly and willfully, has made or makes any false, fictitious, or fraudulent statement or representation, or who, prior to, on, or after such date, knowingly and willfully, has concealed or conceals any material fact, with respect to his conviction, under any article or provision of law specified or described in subsection (b) of the first section of this Act, of any offense within the purview of such subsection (b) to the extent provided in such subsection, for any period subsequent to the date of enactment of this amendment or subsequent to the date on which any such statement, representation, or concealment of fact is made or occurs, whichever date is later, in any document executed by such

person in connection with his employment in, or application for, a civilian or military office or position in or under the legislative, executive, or judicial branch of the Government of the United States or the government of the District of Columbia, or to the survivor of beneficiary of such person, any annuity or retired pay on the basis of the service of such person (subject to the exceptions contained in section 10 (2) and (3) of this Act) which is creditable toward such annuity or retired pay.

Sec. 3. There shall not be paid to any person—

(1) who (A) after July 31, 1956, is under indictment, or has outstanding against him charges preferred under the Uniform Code of Military Justice, for any offense within the purview of subsection (a) of the first section of this Act, or (B) after the date of enactment of this amendment, is under indictment, or has outstanding against him charges preferred under the Uniform Code of Military Justice, for any offense within the purview of subsection (b) of such first section, and

(2) who willfully remains outside the United States, its Territories and possessions, and the Commonwealth of Puerto Rico for a period in excess of one year with knowledge of such indictment or charges, as the case may be,

for any period subsequent to the end of such one-year period, or to the survivor or beneficiary of such person, any annuity or retired pay on the basis of the service of such person (subject to the exceptions contained in section 10 (2) and (3) of this Act) which is creditable toward such annuity or retired pay, unless and until—

(i) a nolle prosequi to the entire indictment is entered upon the record, or such charges have been dismissed by competent authority, as the case may be,

(ii) such person returns and thereafter the indictment, or charges, is or are dismissed, or

(iii) after trial by court or court-martial, as applicable, the accused is found not guilty of the offense or offenses referred to in paragraph (1) of this section.

Sec. 4. (a) In the case of—

(1) the conviction of any person, under any article or provision of law specified or described in subsection (a) of the first section of this Act, of any offense within the purview of such subsection (a) to the extent provided in such subsection, or the commission by any person of any violation of subsection (a) or (b) of section 2 of this Act, or

(2) the conviction of any person, under any article or provision of law specified or described in subsection (b) of the first section of this Act, of any offense within the purview of such subsection (b) to the extent provided in such subsection, or the commission by any person of any violation of subsection (c) of section 2 of this Act,

any amounts (not including employment taxes) contributed by such person toward an annuity the benefits of which are denied under this Act (less any amounts previously refunded or previously paid as annuity benefits) shall be refunded, upon appropriate application therefor—

(A) to such person,

(B) if such person is deceased, to such other person or persons as may be designated to receive refunds by or under the law, regulation, or agreement under which the annuity (the benefits of which are denied under this Act) would have been payable, or

(C) if there is no such designation, in the order of precedence prescribed in section 11(c) of the Civil Service Retirement Act (70 Stat. 755; 5 U.S.C. 2261(c)) or section 2771 of title 10 of the United States Code, as applicable.

(b) Each refund under subsection (a) of this section shall be made with interest at such rates and for such periods as may be provided under the law, regulation, or agreement under which the annuity would have been payable. Such interest shall not be computed—

(1) if paragraph (1) of subsection (a) of this section is applicable, for any period after the date of conviction or commission of violation, as the case may be, or after September 1, 1954, whichever date is later, or

(2) if paragraph (2) of subsection (a) of this section is applicable, for any period after the date of conviction or commission of violation, as the case may be, or after the date of enactment of this amendment, whichever date is later.

(c) No person whose annuity is denied under this Act shall be required to repay that part of any annuity otherwise properly paid to such person which is in excess of the aggregate amount of his own contributions toward such annuity, with applicable interest.

(d) No survivor or beneficiary of any such person shall be required to repay that part of any annuity otherwise properly paid to such person or to such survivor or beneficiary on the basis of the service of such person which is in excess of the aggregate amount of the contributions of such person toward annuity, with applicable interest.

Sec. 5. (a) No person (including an eligible beneficiary under chapter 73 of title 10 of the United States Code or under section 5 of the Uniformed Services Contingency Option Act of 1953 (67 Stat. 504; 37 U.S.C. 1952 edition, Supp. III, sec. 374)) to whom payment of retired pay is denied under this Act shall be required to refund to the United States any retired pay otherwise properly paid to such person or beneficiary which is paid in violation of this Act.

(b) In the case of the conviction of, or the commission of any violation by, any person to the extent provided in paragraph (1) or paragraph (2), as the case may be, of section 4(a) of this Act, any deposits made under section 1438 of chapter 73 of title 10 of the United States Code, or under section 5 of the Uniformed Services Contingency Option Act of 1953 (67 Stat. 504; 37 U.S.C., 1952 edition, Supp. III, sec. 374), to provide the eligible beneficiary with annuity for any period (less amounts previously paid as retired pay benefits) shall be refunded, upon appropriate application therefor, in accordance with such section 4(a), with interest as provided in section 4(b) of this Act.

Sec. 6. (a) The right to receive an annuity or retired pay shall be deemed restored to any person convicted, prior to, on, or after September 1, 1954, of an offense which is within the purview of the first section of this Act or which constitutes a violation of section 2 of this Act, for which he is denied under this Act an annuity or retired pay, to

whom a pardon of such offense is granted by the President of the United States, prior to, on, or after September 1, 1954, and to the survivor or beneficiary of such person. Such restoration of the right to receive an annuity or retired pay shall be effective as of the date on which such pardon is granted. Any amounts refunded to such person under section 4 or section 5(b) of this Act shall be redeposited before credit is allowed for the period or periods of service covered by the refund. No payment of annuity or retired pay shall be made, by virtue of such pardon, for any period prior to the date on which such pardon is granted.

(b) The President is authorized to restore, effective as of such date as he may prescribe, the right to receive an annuity or retired pay to any person who is denied, prior to, on, or after September 1, 1954, an annuity or retired pay under section 2 of this Act, and to the survivor or beneficiary of such person. Any amounts refunded to such person under section 4 or section 5(b) of this Act shall be redeposited before credit is allowed for the period or periods of service covered by the refund. No payment of annuity or retired pay shall be made, by virtue of such restoration of annuity or retired pay by the President under this subsection, for any period prior to the effective date of such restoration of annuity or retired pay.

(c) The right to receive an annuity or retired pay shall not be denied because of any conviction of an offense which is within the purview of the first section of this Act or which constitutes a violation of section 2 of this Act, in any case in which it is established by satisfactory evidence that such conviction or violation resulted from proper compliance with orders issued, in a confidential relationship, by a department, agency, establishment, or other authority of any branch of the Government of the United States or of the government of the District of Columbia.

Sec. 7. No accountable officer or employee of the Government shall be held responsible for any payment made in violation of any provision of this Act if such payment is made in due course and without fraud, collusion, or gross negligence.

Sec. 8. (a) The President may—

(1) drop from the rolls any member of the armed forces, and any member of the Coast and Geodetic Survey or of the Public Health Service, who is deprived of retired pay under the provisions of this Act, and

(2) (A) restore to any person so dropped from the rolls to whom retired pay is restored by reason of any provision of or change in this Act (including the provisions of section 2 of the Act which enacts this clause), his military status, and (B) restore to him and his beneficiaries all rights and privileges of which he or they were deprived by reason of his name having been dropped from the rolls.

(b) If the person restored was a commissioned officer he may be reappointed by the President alone to the grade and position on the retired list which he held at the time his name was dropped from the rolls.

Sec. 9. This Act shall not be construed to restrict any authority under any other provision of law to deny or withhold benefits authorized by law.

Sec. 10. As used in this Act—

(1) The term "officer or employee of the Government" includes—

(A) an officer or employee in or under the legislative, executive, or judicial branch of the Government of the United States;

(B) a Member of, Delegate to, or Resident Commissioner in, the Congress of the United States;

(C) an officer or employee of the government of the District of Columbia; and

(D) a member or former member of the armed forces, the Coast and Geodetic Survey, or the Public Health Service.

(2) The term "annuity" means any retirement benefit (including any disability insurance benefit and any dependent's or survivor's benefit under title II of the Social Security Act and any monthly annuity under section 2 or section 5 of the Railroad Retirement Act of 1937) payable by any department or agency of the Government of the United States or the government of the District of Columbia upon the basis of service as a civilian officer or employee of the Government and any other service which is creditable to an officer or employee of the Government toward such benefit under the law, regulation, or agreement providing such benefit, except that—

(A) the term "annuity" does not include any benefit provided under laws administered by the Veterans' Administration;

(B) the term "annuity" does not include salary or compensation which may not be diminished under section 1 of Article III of the Constitution of the United States;

(C) the term "annuity" does not include, in the case of a benefit payable under title II of the Social Security Act, so much of such benefit as would be payable without taking into account (for any of the purposes of such title II, including determinations of periods of disability under section 216(i)) any remuneration for service as an officer or employee of the Government;

(D) the term "annuity" does not include any monthly annuity awarded under section 2 or section 5 of the Railroad Retirement Act of 1937 prior to the date of enactment of this amendment (whether or not computed under section 3(e) of such Act) and, in the case of any annuity awarded under such section 2 or 5 on or subsequent to the date of enactment of this amendment, does not include so much of such annuity as would be payable without taking into account any military service creditable under section 4 of such Act;

(E) the term "annuity" does not include any retirement benefit (including any disability insurance benefit and any dependent's or survivor's benefit under title II of the Social Security Act) of any person to whom such benefit has been awarded or granted prior to September 1, 1954, or of the survivor or beneficiary of such person, insofar as concerns the conviction of such person, prior to such date, under any

article or provision of law specified or described in subsection (a) of the first section of this Act, of any offense within the purview of such subsection (a) to the extent provided in such subsection, or the commission by such person, prior to such date, of any violation of subsection (a) or (b) of section 2 of this Act; and

(F) the term "annuity" does not include any retirement benefit (including any disability insurance benefit and any dependent's or survivor's benefit under title II of the Social Security Act) of any person to whom such benefit has been awarded or granted prior to the date of enactment of this amendment, or of the survivor or beneficiary of such person, insofar as concerns the conviction of such person, prior to such date, under any article or provision of law specified or described in subsection (b) of the first section of this Act, of any offense within the purview of such subsection (b) to the extent provided in such subsection, or the commission by such person, prior to such date, of any violation of subsection (c) of section 2 of this Act.

(3) The term "retired pay" means retired pay, retirement pay, retainer pay, or equivalent pay, payable under any law of the United States to members or former members of the armed forces, the Coast and Geodetic Survey, and the Public Health Service, and any annuity payable to an eligible beneficiary of any such member or former member under chapter 73 (annuities based on retired or retainer pay) of title 10 of the United States Code, or under section 5 of the Uniformed Services Contingency Option Act of 1953 (67 Stat. 504; 37 U.S.C., 1952 edition, Supp. III, sec. 374), except that—

(A) the term "retired pay" does not include any benefit provided under laws administered by the Veterans' Administration,

(B) the term "retired pay", as applicable to retired pay, retirement pay, retainer pay, and equivalent pay, does not include any such pay of any person to whom such pay has been awarded or granted prior to September 1, 1954, insofar as concerns the conviction of such person, prior to such date, under any article or provision of law specified or described in subsection (a) of the first section of this Act, of any offense within the purview of such subsection (a) to the extent provided in such subsection, or the commission by such person, prior to such date, of any violation of subsection (a) or (b) of section 2 of this Act;

(C) the term "retired pay", as applicable to retired pay, retirement pay, retainer pay, or equivalent pay, does not include any such pay of any person to whom such pay has been awarded or granted prior to the date of enactment of this amendment insofar as concerns the conviction of such person, prior to such date, under any article or provision of law specified or described in subsection (b) of the first section of this Act, of any offense within the purview of such subsection (b) to the extent provided in such subsection

tion, or the commission by such person, prior to such date, of any violation of subsection (c) of section 2 of this Act; and

(D) the term "retired pay", as applicable to an annuity payable to the eligible beneficiary of any person under chapter 73 of title 10 of the United States Code, or under section 5 of the Uniformed Services Contingency Option Act of 1953 (67 Stat. 504; 37 U.S.C. 1952 edition, Supp. III, sec. 374), does not include any such annuity of any such beneficiary if such annuity has been awarded or granted to such beneficiary, or if retired pay has been awarded or granted to such person, prior to the date of enactment of this amendment insofar as concerns—

(i) the conviction, prior to such date, of the person on the basis of whose service such annuity is awarded or granted, under any article or provision of law specified or described in the first section of this Act, of any offense within the purview of such first section to the extent specified in such section, or

(ii) the commission by such person, prior to such date, of any violation of section 2 of this Act.

(4) The term "armed forces" shall have the meaning provided for such term by title 10 of the United States Code.

Sec. 11. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Sec. 12. (a) Section 3282 of title 18 of the United States Code is amended by striking out "three" and inserting in lieu thereof "five".

(b) The amendment made by subsection (a) shall be effective with respect to offenses (1) committed on or after September 1, 1954, or (2) committed prior to such date, if on such date prosecution therefor is not barred by provisions of law in effect prior to such date.

ACT OF OCTOBER 3, 1965

(Public Law 89-236, 79 Stat. 920) (8 U.S.C. 1151 nts)

Sec. 21. (a) There is hereby established a Select Commission on Western Hemisphere Immigration (hereinafter referred to as the "Commission") to be composed of fifteen members. The President shall appoint the Chairman of the Commission and four other members thereof. The President of the Senate, with the approval of the majority and minority leaders of the Senate, shall appoint five members from the membership of the Senate. The Speaker of the House of Representatives, with the approval of the majority and minority leaders of the House, shall appoint five members from the membership of the House. Not more than three members appointed by the President of the Senate and the Speaker of the House of Representatives, respectively, shall be members of the same political party. A vacancy in the membership of the Commission shall be filled in the same manner as the original designation and appointment.

(b) The Commission shall study the following matters:

(1) Prevailing and projected demographic, technological, and economic trends, particularly as they pertain to Western Hemisphere nations;

(2) Present and projected unemployment in the United States, by occupations, industries, geographic areas and other factors, in relation to immigration from the Western Hemisphere;

(3) The interrelationships between immigration, present and future, and existing and contemplated national and international programs and projects of Western Hemisphere nations, including programs and projects for economic and social development;

(4) The operation of the immigration laws of the United States as they pertain to Western Hemisphere nations, including the adjustment of status for Cuban refugees, with emphasis on the adequacy of such laws from the standpoint of fairness and from the standpoint of the impact of such laws on employment and working conditions within the United States;

(5) The implications of the foregoing with respect to the security and international relations of Western Hemisphere nations; and

(6) Any other matters which the Commission believes to be germane to the purposes for which it was established.

(c) On or before July 1, 1967, the Commission shall make a first report to the President and the Congress, and on or before January 15, 1968, the Commission shall make a final report to the President and the Congress. Such reports shall include the recommendations of the Commission as to what changes, if any, are needed in the immigration laws in the light of its study. The Commission's recommendations shall include, but shall not be limited to, recommenda-

tions as to whether, and if so how, numerical limitations should be imposed upon immigration to the United States from the nations of the Western Hemisphere. In formulating its recommendations on the latter subject, the Commission shall give particular attention to the impact of such immigration on employment and working conditions within the United States and to the necessity of preserving the special relationship of the United States with its sister Republics of the Western Hemisphere.

(d) The life of the Commission shall expire upon the filing of its final report, except that the Commission may continue to function for up to sixty days thereafter for the purpose of winding up its affairs.

(e) Unless legislation inconsistent herewith is enacted on or before June 30, 1968, in response to recommendations of the Commission or otherwise, the number of special immigrants within the meaning of section 101(a) (27) (A) of the Immigration and Nationality Act, as amended, exclusive of special immigrants who are immediate relatives of United States citizens as described in section 201(b) of that Act, shall not, in the fiscal year beginning July 1, 1968, or in any fiscal year thereafter, exceed a total of 120,000.

(f) All Federal agencies shall cooperate fully with the Commission to the end that it may effectively carry out its duties.

(g) Each member of the Commission who is not otherwise in the service of the Government of the United States shall receive the sum of \$100 for each day spent in the work of the Commission, shall be paid actual travel expenses, and per diem in lieu of subsistence expenses, when away from his usual place of residence, in accordance with section 5 of the Administrative Expenses Act of 1946, as amended. Each member of the Commission who is otherwise in the service of the Government of the United States shall serve without compensation in addition to that received for such other service, but while engaged in the work of the Commission shall be paid actual travel expenses, when away from his usual place of residence, in accordance with the Administrative Expenses Act of 1946, as amended.

(h) There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this section.

AUTOMOTIVE PRODUCTS TRADE ACT OF 1965

(P.L. 89-283) (79 Stat. 1016) (19 U.S.C. 2001)

TITLE I—SHORT TITLE AND PURPOSES

Short Title

Section 101. This Act may be cited as the “Automotive Products Trade Act of 1965”.

Purposes

Sec. 102. The purposes of this Act are—

(1) to provide for the implementation of the Agreement Concerning Automotive Products Between the Government of the United States of America and the Government of Canada signed on January 16, 1965 (hereinafter referred to as the “Agreement”), in order to strengthen the economic relations and expand trade in automotive products between the United States and Canada; and

(2) to authorize the implementation of such other international agreements providing for the mutual reduction or elimination of duties applicable to automotive products as the Government of the United States may hereafter enter into.

TITLE II—BASIC AUTHORITIES

Implementation of the Agreement

Sec. 201. (a) The President is authorized to proclaim the modifications of the Tariff Schedules of the United States provided for in title IV of this Act.¹

(b) At any time after the issuance of the proclamation authorized by subsection (a), the President is authorized to proclaim further modifications of the Tariff Schedules of the United States to provide for the duty-free treatment of any Canadian article which is original motor-vehicle equipment (as defined by such Schedules as modified pursuant to subsection (a)) if he determines that the importation of such article is actually or potentially of commercial significance and that such duty-free treatment is required to carry out the Agreement.

Implementation of Other Agreements

Sec. 202. (a) Whenever, after determining that such an agreement will afford mutual trade benefits, the President enters into an agreement with the government of a country providing for the mutual

¹ The President issued Proclamation No. 3682 on October 28, 1965. See footnote 6, *infra*.

elimination of the duties applicable to products of their respective countries which are motor vehicles and fabricated components intended for use as original equipment in the manufacture of such vehicles, the President (in accordance with subsection (d)) is authorized to proclaim such modifications of the Tariff Schedules of the United States as he determines to be required to carry out such agreement.

(b) Whenever, after having entered into an agreement with the government of a country providing for the mutual elimination of the duties applicable to products described in subsection (a), the President, after determining that such further agreement will afford mutual trade benefits, enters into a further agreement with such government providing for the mutual reduction or elimination of the duties applicable to automotive products other than motor vehicles and fabricated components intended for use as original equipment in the manufacture of such vehicles, the President (in accordance with subsection (d)) is authorized to proclaim such modifications of the Tariff Schedules of the United States as he determines to be required to carry out such further agreement.

(c) Before the President enters into the negotiation of an agreement referred to in subsection (a) or (b), he shall—

(1) seek the advice of the Tariff Commission as to the probable economic effect of the reduction or elimination of duties on industries producing articles like or directly competitive with those which may be covered by such agreement;

(2) give reasonable public notice of his intention to negotiate such agreement (which notice shall be published in the Federal Register) in order that any interested person may have an opportunity to present his views to such agency as the President shall designate, under such rules and regulations as the President may prescribe; and

(3) seek information and advice with respect to such agreement from the Departments of Commerce, Labor, State, and the Treasury, and from such other sources as he may deem appropriate.

(d) (1) The President shall transmit to each House of Congress a copy of each agreement referred to in subsection (a) or (b). The delivery to both Houses shall be on the same day and shall be made to each House while it is in session.

(2) The President is authorized to issue any proclamation to carry out any such agreement—

(A) only after the expiration of the 60-day period following the date of delivery,

(B) only if, between the date of delivery and the expiration of such 60-day period, the Congress has not adopted a concurrent resolution stating in substance that the Senate and House of Representatives disapprove of the agreement, and

(C) in the case of any agreement referred to in subsection (b) with any country, only if there is in effect a proclamation implementing an agreement with such country applicable to products described in subsection (a).

(3) For purposes of paragraph (2), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

(e) This section shall cease to be in effect on the day after the date of the enactment of this Act.

Effective Date of Proclamations

Sec. 203. (a) Subject to subsection (b), the President is authorized, notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C., sec. 1514) or any other provision of law, to give retroactive effect to any proclamation issued pursuant to section 201 of this Act as of the earliest date after January 17, 1965, which he determines to be practicable.

(b) In the case of liquidated customs entries, the retroactive effect pursuant to subsection (a) of any proclamation shall apply only upon request therefor filed with the customs officer concerned on or before the 90th day after the date of such proclamation and subject to such other conditions as the President may specify.

Termination of Proclamations

Sec. 204. The President is authorized at any time to terminate, in whole or in part, any proclamation issued pursuant to section 201 or 202 of this Act.

Special Reports to Congress

Sec. 205. (a) No later than August 31, 1968, the President shall submit to the Senate and the House of Representatives a special report on the comprehensive review called for by Article IV(c) of the Agreement. In such report he shall advise the Congress of the progress made toward the achievement of the objectives of Article I of the Agreement.

(b) Whenever the President finds that any manufacturer has entered into any undertaking, by reason of governmental action, to increase the Canadian value added of automobiles, buses, specified commercial vehicles, or original equipment parts produced by such manufacturer in Canada after August 31, 1968, he shall report such findings to the Senate and the House of Representatives. The President shall also report whether such undertaking is additional to undertakings agreed to in letters of undertaking submitted by such manufacturer before the date of the enactment of this Act.

(c) The reports provided for in subsections (a) and (b) of this section shall include recommendations for such further steps, including legislative action, if any, as may be necessary for the achievement of the purposes of the Agreement and this Act.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

General Authority

Sec. 301. Subject to section 302 of this Act, a petition may be filed for tariff adjustment or for a determination of eligibility to apply for adjustment assistance under title III of the Trade Expansion Act of 1962 (19 U.S.C., secs. 1901–1991) as though the reduction or elimination of a duty proclaimed by the President pursuant to section 201 or 202 of this Act were a concession granted under a trade agreement referred to in section 301 of the Trade Expansion Act of 1962.²

Special Authority During Transitional Period Under the Agreement

Sec. 302. (a) After the 90th day after the date of the enactment of this Act and before July 1, 1968, a petition under section 301 of this Act for a determination of eligibility to apply for adjustment assistance may be filed with the President by—

(1) a firm which produces an automotive product, or its representative; or

(2) a group of workers in a firm which produces an automotive product, or their certified or recognized union or other duly authorized representative.

(b) After a petition is filed by a firm or group of workers under subsection (a), the President shall determine whether—

(1) dislocation of the firm or group of workers has occurred or threatens to occur;

(2) production in the United States of the automotive product concerned produced by the firm, or an appropriate subdivision thereof, and of the automotive product like or directly competitive therewith, has decreased appreciably; and

(3) (A) imports into the United States from Canada of the Canadian automotive product like or directly competitive with that produced by the firm, or an appropriate subdivision thereof, have increased appreciably; or

(B) exports from the United States to Canada of the United States automotive product concerned produced by the firm, or an appropriate subdivision thereof, and of the United States automotive product like or directly competitive therewith, have decreased appreciably, and the decrease in such exports is greater than the decrease, if any, in production in Canada of the Canadian automotive product like or directly competitive with the United States automotive product being exported.

(c) If the President makes an affirmative determination under paragraphs (1), (2), and (3) of subsection (b), with respect to a firm or

² See p. 953, this volume, for provisions of the Trade Expansion Act of 1962.

group of workers, he shall promptly certify that as a result of its dislocation the firm or group of workers is eligible to apply for adjustment assistance, unless the President determines that the operation of the Agreement has not been the primary factor in causing or threatening to cause dislocation of the firm or group of workers.

(d) If the President makes an affirmative determination under paragraph (1) but a negative determination under paragraph (2) or (3) of subsection (b), with respect to a firm or group of workers, the President shall determine whether the operation of the Agreement has nevertheless been the primary factor in causing or threatening to cause dislocation of the firm or group of workers. If the President makes such an affirmative determination, he shall promptly certify that as a result of its dislocation the firm or group of workers is eligible to apply for adjustment assistance.

(e) (1) In order to provide the President with a factual record on the basis of which he may make the determinations referred to in subsections (b), (c), and (d) with respect to a firm or a group of workers, the President shall promptly transmit to the Tariff Commission a copy of each petition filed under subsection (a) and, not later than 5 days after the date on which the petition is filed, shall request the Tariff Commission to conduct an investigation related to questions of fact relevant to such determinations and to make a report of the facts disclosed by such investigation. In his request, the President may specify the particular kinds of data which he deems appropriate. Upon receipt of the President's request, the Tariff Commission shall promptly institute the investigation and promptly publish notice thereof in the Federal Register.

(2) In the course of each investigation conducted under paragraph (1), the Tariff Commission shall, after reasonable notice, hold a public hearing, if such hearing is requested (not later than 10 days after the date of the publication of its notice under paragraph (1)) by the petitioner or any other person showing a proper interest in the subject matter of the investigation, and shall afford interested persons an opportunity to be present, to produce evidence, and to be heard at such hearing.

(3) Not later than 50 days after the date on which it receives the request of the President under paragraph (1), the Tariff Commission shall transmit to the President a report of the facts disclosed by its investigation, together with the transcript of the hearing and any briefs which may have been submitted in connection with such investigation.

(f) (1) The President shall make each final determination under subsection (b), (c), or (d) with respect to a firm or group of workers only after he has sought advice from the Departments of Commerce, Labor, and the Treasury, the Small Business Administration, and such other agencies as he may deem appropriate.

(2) The President shall make each such final determination not later than 15 days after the date on which he receives the Tariff Commission's report, unless, within such period, the President requests additional factual information from the Tariff Commission. In this event, the Tariff Commission shall, not later than 25 days after the date on which it receives the President's request, furnish such additional factual information in a supplemental report, and the Presi-

dent shall make his final determination not later than 10 days after the date on which he receives such supplemental report.

(3) The President shall promptly publish in the Federal Register a summary of each final determination under this section.

(g) Any certification with respect to a group of workers made by the President under this section shall—

(1) specify the date on which the dislocation began or threatens to begin; and

(2) be terminated by the President whenever he determines that the operation of the Agreement is no longer the primary factor in causing separations from the firm or subdivision thereof, in which case such determination shall apply only with respect to separations occurring after the termination date specified by the President.

(h) Any certification with respect to a firm or a group of workers or any termination of such certification, including the specification of a date in such certification or termination, made by the President under this section shall constitute a certification or termination, including the specification of a date therein, under section 302 of the Trade Expansion Act of 1962 (19 U.S.C., sec. 1902) for purposes of chapter 2 or 3 of title III of that Act.³

(i) If a firm which has been certified under this section applies for tax assistance as provided by section 317 of the Trade Expansion Act of 1962,⁴ the reference in subsection (a) (2) of such section 317 to a trade or business which was seriously injured by increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements shall be treated as referring to a trade or business which was seriously injured by the operation of the Agreement.

(j) Notwithstanding any provision of chapter 3 of title III of the Trade Expansion Act of 1962,⁵ or of this title, applications based on any certification made by the President under this section for—

(1) trade readjustment allowances for weeks of unemployment beginning after January 17, 1965, and before the 90th day after the date of the enactment of this Act, and

(2) relocation allowances for relocations occurring after January 17, 1965, and before such 90th day,

shall be determined in accordance with regulations prescribed by the Secretary of Labor.

(k) The President is authorized to exercise any of his functions under this section through such agency or other instrumentality of the United States Government as he may direct and in conformity with such rules or regulations as he may prescribe.

(l) For purposes of this section—

(1) The term "automotive product" means a motor vehicle or a fabricated component to be used as original equipment in the manufacture of motor vehicles.

(2) The term "dislocation" means—

(A) in the case of a firm, injury to the firm, which may be evidenced by such conditions as idling of productive facili-

³ See p. 953, this volume, for provisions of the Trade Expansion Act of 1962.

⁴ See footnote 3, above.

⁵ See footnote 3, above.

ties, inability to operate at a level of reasonable profit, or unemployment or underemployment, and which is of a serious nature; and

(B) in the case of a group of workers, unemployment or underemployment of a significant number or proportion of the workers of a firm or an appropriate subdivision thereof.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) The term "operation of the Agreement" includes governmental or private actions in the United States or Canada directly related to the conclusion or implementation of the Agreement.

Adjustment Assistance Related to Other Agreements

Sec. 303. At the time the President transmits to the Congress a copy of any agreement pursuant to section 202(d) (1), he shall recommend to the Congress such legislative provisions concerning adjustment assistance to firms and workers as he determines to be appropriate in light of the anticipated economic impact of the reduction or elimination of duties provided for by such agreement.

Authorization of Appropriations

Sec. 304. There are hereby authorized to be appropriated such sums as may be necessary from time to time to carry out the provisions of this title, which sums are authorized to be appropriated to remain available until expended.

TITLE IV—MODIFICATIONS OF TARIFF SCHEDULES OF THE UNITED STATES⁶

* * * * *

TITLE V—GENERAL PROVISIONS

Authorities

Sec. 501. The head of any agency performing functions authorized by this Act may—

(1) authorize the head of any other agency to perform any of such functions; and

(2) prescribe such rules and regulations as may be necessary to perform such functions.

⁶ The text of title IV has been omitted since it has limited applicability in this Compilation. Under sec. 401(a) of this title modifications of the Tariff Schedules provided for by title IV shall not enter into force except as proclaimed by the President pursuant to sec. 201(a). Those modifications were effected by Proclamation No. 3682, issued October 28, 1965.

Annual Report

Sec. 502. The President shall submit to the Congress an annual report on the implementation of this Act. Such report shall include information regarding new negotiations, reductions or eliminations of duties, reciprocal concessions obtained, and other information relating to activities under this Act. Such report shall also include information providing an evaluation of the Agreement and this Act in relation to the total national interest, and specifically shall include, to the extent practicable, information with respect to—

(1) the production of motor vehicles and motor vehicle parts in the United States and Canada,

(2) the retail prices of motor vehicles and motor vehicle parts in the United States and Canada,

(3) employment in the motor vehicle industry and motor vehicle parts industry in the United States and Canada, and

(4) United States and Canadian trade in motor vehicles and motor vehicle parts, particularly trade between the United States and Canada.

Applicability of Antidumping and Antitrust Laws

Sec. 503. Nothing contained in this Act shall be construed to affect or modify the provisions of the Anti-Dumping Act, 1921 (19 U.S.C. 160–173), or of any of the antitrust laws as designated in section 1 of the Act entitled “An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes”, approved October 15, 1914 (15 U.S.C. 12).

* * * * *

CIVIL RIGHTS ACT OF 1964

(P.L. 88-352) (78 Stat. 252) (42 U.S.C. 2000d-2000d-4, 2000h-4)

An Act To Enforce the Constitutional Right To Vote, To Confer Jurisdiction Upon the District Courts of the United States To Provide Injunctive Relief Against Discrimination in Public Accommodations, To Authorize the Attorney General to Institute Suits to Protect Constitutional Rights in Public Facilities and Public Education, To Extend the Commission on Civil Rights, To Prevent Discrimination in Federally Assisted Programs, To Establish a Commission on Equal Employment Opportunity, and for Other Purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress, assembled, That this Act may be cited as the "Civil Rights Act of 1964".

* * * * *

TITLE VI—NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

Sec. 601. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Sec. 602. Each Federal department and agency which is empowered to extend Federal financial assistance to any program or activity, by way of grant, loan, or contract, other than a contract of insurance or guaranty, is authorized and directed to effectuate the provisions of section 601 with respect to such program or activity by issuing rules, regulations, or orders of general applicability which shall be consistent with achievement of the objectives of the statute authorizing the financial assistance in connection with which the action is taken. No such rule, regulation, or order shall become effective unless and until approved by the President. Compliance with any requirement adopted pursuant to this section may be effected (1) by the termination of or refusal to grant or to continue assistance under such program or activity to any recipient as to whom there has been an express finding on the record, after opportunity for hearing, of a failure to comply with such requirement, but such termination or refusal shall be limited to the particular political entity, or part thereof, or other recipient as to whom such a finding has been made and, shall be limited in its effect to the particular program, or part thereof, in which such non-compliance has been so found, or (2) by any other means authorized by law: *Provided, however,* That no such action shall be taken until the department or agency concerned has advised the appropriate person or persons of the failure to comply with the requirement and has determined that compliance cannot be secured by voluntary means. In the case of any action terminating, or refusing to grant or continue, assistance because of failure to comply with a requirement imposed

pursuant to this section, the head of the Federal department or agency shall file with the committees of the House and Senate having legislative jurisdiction over the program or activity involved a full written report of the circumstances and the grounds for such action. No such action shall become effective until thirty days have elapsed after the filing of such report.

Sec. 603. Any department or agency action taken pursuant to section 602 shall be subject to such judicial review as may otherwise be provided by law for similar action taken by such department or agency on other grounds. In the case of action, not otherwise subject to judicial review, terminating or refusing to grant or to continue financial assistance upon a finding of failure to comply with any requirement imposed pursuant to section 602, any person aggrieved (including any State or political subdivision thereof and any agency of either) may obtain judicial review of such action in accordance with section 10 of the Administrative Procedure Act, and such action shall not be deemed committed to unreviewable agency discretion within the meaning of that section.

Sec. 604. Nothing contained in this title shall be construed to authorize action under this title by any department or agency with respect to any employment practice of any employer, employment agency, or labor organization except where a primary objective of the Federal financial assistance is to provide employment.

Sec. 605. Nothing in this title shall add to or detract from any existing authority with respect to any program or activity under which Federal financial assistance is extended by way of a contract of insurance or guaranty.

* * * * *

Sec. 1104. Nothing contained in any title of this Act shall be construed as indicating an intent on the part of Congress to occupy the field in which any such title operates to the exclusion of State laws on the same subject matter, nor shall any provision of this Act be construed as invalidating any provision of State law unless such provision is inconsistent with any of the purposes of this Act, or any provision thereof.

* * * * *

ECONOMIC OPPORTUNITY ACT OF 1964¹

(P.L. 88-452) (78 Stat. 508) (42 U.S.C. 2701)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Opportunity Act of 1964".

Findings and Declaration of Purpose

Sec. 2. Although the economic well-being and prosperity of the United States have progressed to a level surpassing any achieved in world history, and although these benefits are widely shared throughout the Nation, poverty continues to be the lot of a substantial number of our people. The United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the workings of our society. It is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation by opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity. It is the purpose of this Act to strengthen, supplement, and coordinate efforts in furtherance of that policy.

It is the sense of the Congress that it is highly desirable to employ the resources of the private sector of the economy of the United States in all such efforts to further the policy of this Act.²

¹ The Economic Opportunity Act of 1964 (P.L. 88-452, 78 Stat. 508, 42 U.S.C. 2701) was approved on August 20, 1964. The Economic Opportunity Amendments of 1966 (P.L. 89-794, 80 Stat. 1451) were approved on November 8, 1966. Section 1201 of P.L. 89-794 provides:

"SEC. 1201. No part of the funds appropriated under this Act to carry out the provisions of the Economic Opportunity Act of 1964 shall be used to provide payments, assistance, or services, in any form, with respect to any individual who is convicted, in any Federal, State, or local court of competent jurisdiction, of inciting, promoting, or carrying on a riot, or any group activity resulting in material damage to property or injury to persons, found to be in violation of Federal, State, or local laws designed to protect persons or property in the community concerned."

The Economic Opportunity Amendments of 1967 (P.L. 90-222, 81 Stat. 672) were approved on December 23, 1967. P.L. 90-222, sec. 2 reads:

"SEC. 2. For the purpose of carrying out programs under the Economic Opportunity Act of 1964 (other than part C of title I of such Act), there is hereby authorized to be appropriated for the fiscal year ending June 30, 1968, the sum of \$1,980,000,000, of which, subject to the provisions of section 616 of such Act, the amounts appropriated or made available by appropriation Act shall not exceed \$295,000,000 for the purpose of carrying out the provisions of part A of title I of such Act, \$476,000,000 for the purpose of carrying out part B of title I, \$60,000,000 for the purpose of carrying out part D of title I, \$950,000,000 for the purpose of carrying out title II, \$20,000,000 for the purpose of carrying out part A of title III, \$27,000,000 for the purpose of carrying out part B of title III, \$10,000,000 for the purpose of carrying out section 406 of title IV, \$70,000,000 for the purpose of carrying out part A of title V, \$25,000,000 for the purpose of carrying out part B of title V, \$16,000,000 for the purpose of carrying out title VI, and \$31,000,000 for the purpose of carrying out title VIII, and there is authorized to be appropriated \$2,180,000,000 for the fiscal year ending June 30, 1969."

² P.L. 89-794, sec. 614(b), added the second paragraph of section 2.

PART A—JOB CORPS³**Statement of Purpose**

Sec. 101. This part establishes a Job Corps for low-income, disadvantaged young men and women, sets forth standards and procedures for selecting individuals as enrollees in the Job Corps, authorizes the establishment of residential and/or nonresidential centers in which enrollees will participate in intensive programs of education, vocational training, work experience, counseling, and other activities, and prescribes various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps. Its purpose is to assist young persons who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens; and to do so in a way that contributes, where feasible, to the development of National, State, and community resources, and to do the development and dissemination of techniques for working with the disadvantaged that can be widely utilized by public and private institutions and agencies.

Establishment of the Job Corps

Sec. 102. There is hereby established within the Office of Economic Opportunity a "Job Corps".

Individuals Eligible for the Job Corps

Sec. 103. To become an enrollee in the Job Corps, a young man or woman must be a person who—

(1) is a permanent resident of the United States who has attained age fourteen but not attained age twenty-two at the time of enrollment;

(2) is a low-income individual or member of a low-income family who requires additional education, training, or intensive counseling and related assistance in order to secure and hold meaningful employment, participate successfully in regular school-work, qualify for other training programs suitable to his needs, or satisfy Armed Forces requirements;

(3) is currently living in an environment so characterized by cultural deprivation, a disruptive homelife, or other disorienting conditions as to substantially impair his prospects for successful participation in any other program providing needed training, education, or assistance;

(4) is determined, after careful screening as provided for in sections 104 and 105, to have the present capabilities and aspirations needed to complete and secure the full benefit of the program authorized in this part, and to be free of medical and behavioral problems so serious that he could not or would not be able to adjust to the standards of conduct and discipline or pattern of work and training which that program involves; and

³ P.L. 90-222, sec. 101, amended Part A of title I in its entirety.

(5) meets such other standards for enrollment as the Director may prescribe (including special standards for the enrollment on a residential basis of 14 and 15 year olds) and agrees to comply with all applicable Job Corps rules and regulations.

Screening and Selection of Applicants—General Provisions

Sec. 104. (a) The Director shall prescribe necessary rules for the screening and selection of applicants for enrollment in the Job Corps. To the extent practicable, these rules shall be implemented through arrangements which make use of agencies and organizations such as community action agencies, public employment offices, professional groups, and labor organizations. The rules shall establish specific standards and procedures for conducting screening and selection activities; shall encourage recruitment through agencies and individuals having contact with youths over substantial periods of time and able, accordingly, to offer reliable information as to their needs and problems; and shall provide for necessary consultation with other individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers. They shall also provide for—

(1) the interviewing of each applicant for the purpose of—

(A) determining whether his educational and vocational needs can best be met through the Job Corps or any alternative program in his home community;

(B) obtaining from the applicant pertinent data relating to his background, needs, and interests for evaluation in determining his eligibility and potential assignment; and

(C) giving the applicant a full understanding of the Job Corps program and making clear what will be expected of him as an enrollee in the event of his acceptance.

(2) the conduct of a careful and systematic inquiry concerning the applicant's background for the effective development and, as appropriate, clarification of information concerning his age, citizenship, school and draft status, health, employability, past behavior, family income, environment, and other matters related to a determination of his eligibility.

(b) The Director shall make no payments to any individual or organization solely as compensation for the service of referring the names of candidates for enrollment in the Job Corps.

(c) The Director shall take all necessary steps to assure that the enrollment of the Job Corps includes an appropriate number of candidates selected from rural areas, taking into account the proportion of eligible youth who reside in rural areas and the need to provide residential facilities for such youth in order to meet problems of wide geographic dispersion.

Screening and Selection—Special Limitations

Sec. 105. (a) No individual shall be selected as an enrollee unless it is determined that there is reasonable expectation that he can participate successfully in group situations and activities with other enrollees, that he is not likely to engage in actions or behavior that would prevent other enrollees from receiving the benefit of the program or be

incompatible with the maintenance of sound discipline and satisfactory relationships between any center to which he might be assigned and surrounding communities, and that he manifests a basic understanding of both the rules to which he will be subject and of the consequences of failure to observe those rules. Before selecting an individual who has a history of serious and violent behavior against persons or property, repetitive delinquent acts, narcotics addiction, or other major behavioral aberrations, the Director shall obtain a finding from a professionally qualified person who knows such potential enrollee's individual situation that there is reasonable expectation that his conduct will not be inimical to the goals and success of the Job Corps and that the opportunity provided by the Job Corps will help him to overcome his problem.

(b) An individual who otherwise qualifies for enrollment may be selected even though he is on probation or parole, but only if his release from the immediate supervision of the cognizant probation or parole officials is mutually satisfactory to those officials and the Director and does not violate applicable laws or regulations, and if the Director has arranged to provide all supervision of the individual and all reports to State or other authorities that may be necessary to comply with applicable probation or parole requirements.

Enrollment and Assignment

Sec. 106. (a) No individual may be enrolled in the Job Corps for more than two years, except as the Director may authorize in special cases.

(b) Enrollment in the Job Corps shall not relieve any individual of obligations under the Universal Military Training and Service Act (50 U.S.C. App. 451 et seq.).

(c) Each enrollee (other than a native and citizen of Cuba described in section 609(3) of this Act or a permanent resident of the Trust Territory of the Pacific Islands) must take and subscribe to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies foreign and domestic." The provisions of section 1001 of title 18, United States Code, shall be applicable to this oath or affirmation.

(d) After the Director has determined whether an enrollee is to be assigned to a men's training center, a conservation center, or a women's training center, the center to which he shall be assigned shall be that center of the appropriate type in which a vacancy exists which is closest to the enrollee's home, except that the the Director, on an individual basis, may waive this requirement when overriding considerations justify such action. Assignments to centers in areas more remote from the enrollee's home shall be carefully limited to situations in which such action is necessary in order to insure an equitable opportunity for disadvantaged youth from various sections of the country to participate in the program, to prevent undue delays in the assignment of individual enrollees, to provide an assignment which adequately meets the educational or other needs of the enrollee or is necessary for efficiency and economy in the operation of the program.

(e) Assignments of male enrollees shall be made so that, at any one time, at least 40 per centum of those enrollees are assigned to conservation centers, as described in section 107, or to other centers or projects where their work activity is primarily directed to the conservation, development, or management of public natural resources or recreational areas and is performed under the direction of personnel of agencies regularly responsible for those functions.

Job Corps Centers

Sec. 107. (a) The Director may make agreements with Federal, State, or local agencies, or private organizations for the establishment and operation of Job Corps centers. These centers may be residential and/or nonresidential in character and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with education, vocational training, work experience (either in direct program activities or through arrangements with employers), counseling, and other services appropriate to their needs. The centers shall include conservation centers, to be known as Civilian Conservation Centers, to be located primarily in rural areas and to provide, in addition to other training and assistance, programs of work experience focused upon activities to conserve, develop, or manage public natural resources or public recreational areas or to assist in developing community projects in the public interest. They shall also include men's and women's training centers to be located in either urban or rural areas and to provide activities which shall include training and other services appropriate for enrollees who can be expected to participate successfully in training for specific types of skilled or semiskilled employment.

(b) To the extent feasible, men's and women's training centers shall offer education and vocational training opportunities, together with supportive services, on a nonresidential basis to participants in programs described in part B of this title. Such opportunities may be offered on a reimbursable basis or through such other arrangements as the Director may specify.

Program Activities

Sec. 108. (a) Each Job Corps center shall be operated so as to provide enrollees with an intensive, well-organized and fully supervised program of education, vocational training, work experience, planned avocational and recreational activities, physical rehabilitation and development, and counseling. To the fullest extent feasible, the required program for each enrollee shall include activities designed to assist him in choosing realistic career goals, coping with problems he may encounter in his home community or in adjusting to a new community, and planning and managing his daily affairs in a manner that will best contribute to long-term upward mobility. Center programs shall include required participation in center maintenance support and related work activity as appropriate to assist enrollees in increasing their sense of contribution, responsibility, and discipline.

(b) To the extent practicable, the Director may arrange for enrollee education and vocational training through local public or private educational agencies, vocational educational institutions, or

technical institutes where these institutions or institutes can provide training comparable in cost and substantially equivalent in quality to that which he could provide through other means.

(c) Arrangements for education shall, to the extent feasible, provide opportunities for qualified enrollees to obtain the equivalent of a certificate of graduation from high school; and the Director, with the concurrence of the Secretary of Health, Education, and Welfare, shall develop certificates to be issued to enrollees who have satisfactorily completed their services in the Job Corps and which will reflect the enrollee's level of educational attainment.

(d) The Director shall prescribe regulations to assure that Job Corps work-experience programs or activities do not displace presently employed workers or impair existing contracts for service and will be coordinated with other work-experience programs in the community.

Allowance and Support

Sec. 109. (a) The Director may provide enrollees with such personal, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, and other expenses as he may deem necessary or appropriate to their needs. Personal allowances shall be established at a rate not to exceed \$35 per month during the first six months of an enrollee's participation in the program and not to exceed \$50 per month thereafter, except that allowances in excess of \$35 per month, but not exceeding \$50 per month, may be provided from the beginning of an enrollee's participation if it is expected to be of less than six months' duration, and the Director is authorized to pay personal allowances in excess of the rates specified herein in unusual circumstances as determined by him. Such allowances shall be graduated up to the maximum so as to encourage continued participation in the program, achievement and the best use by the enrollee of the funds so provided and shall be subject to reduction in appropriate cases as a disciplinary measure. To the degree reasonable, enrollees shall be required to meet or contribute to costs associated with their individual comfort and enjoyment from their personal allowances.

(b) The Director shall prescribe specific rules governing the accrual of leave by enrollees. Except in the case of emergency, he shall in no event assume transportation costs connected with leave of any enrollee who has not completed at least six months service in the Job Corps.

(c) The Director may provide each former enrollee, upon termination, a readjustment allowance at a rate not to exceed \$50 for each month of satisfactory participation in the Job Corps. No enrollee shall be entitled to a readjustment allowance, however, unless he has remained in the program at least ninety days, except in unusual circumstances as determined by the Director. The Director may, from time to time, advance to or on behalf of an enrollee such portions of his readjustment allowance as the Director deems necessary to meet extraordinary financial obligations incurred by that enrollee; and he may also, pursuant to rules or regulations, reduce the amount of an enrollee's readjustment allowance as a penalty for misconduct during participation in the Job Corps. In the event of an enrollee's death

during his period of service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 5582 of title 5, United States Code.

(d) Under such circumstances as the Director may determine, a portion of the readjustment allowance of an enrollee not exceeding \$25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a spouse or child of an enrollee or to any other relative who draws substantial support from the enrollee, and any sum so paid shall be supplemented by the payment of an equal amount by the Director.

Standards of Conduct

Sec. 110. (a) Within Job Corps centers, standards of conduct and deportment shall be provided and stringently enforced. In the case of violations committed by enrollees, dismissals from the Corps or transfers to other locations shall be made in every instance where it is determined that retention in the Corps, or in the particular Job Corps center, will jeopardize the enforcement of such standards of conduct and deportment or diminish the opportunity of other enrollees.

(b) In order to promote the proper moral and disciplinary conditions in the Job Corps, the individual directors of Job Corps centers shall be given full authority to take appropriate disciplinary measures against enrollees including, but not limited to, dismissal from the Job Corps, subject to expeditious appeal procedures to higher authority, as provided under regulations set by the Director.

Community Participation

Sec. 111. The Director shall encourage and shall cooperate in activities designed to establish a mutually beneficial relationship between Job Corps centers and surrounding or nearby communities. These activities shall include the establishment of community advisory councils to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest. Whenever possible, such advisory councils shall be formed by and coordinated under the local community action agency. Youth participation in advisory council affairs shall be encouraged and where feasible separate youth councils may be established, to be composed of representative enrollees and representative young people from the communities. The Director shall establish necessary rules and take necessary action to assure that each center is operated in a manner consistent with this section with a view to achieving, so far as possible, objectives which shall include: (1) giving community officials appropriate advance notice of changes in center rules, procedures, or activities that may affect or be of interest to the community; (2) affording the community a meaningful voice in center affairs of direct concern to it, including policies governing the issuance and terms of passes to enrollees; (3) providing center officials with full and rapid access to relevant community groups and agencies, including law enforcement agencies and agencies which work with young people in the community; (4) encouraging the fullest practicable participation of enrollees in programs or projects for community improvement or

betterment, with adequate advance consultation with business, labor, professional, and other interested community groups and organizations; (5) arranging recreational, athletic, or similar events in which enrollees and local residents may participate together; (6) providing community residents with opportunities to work with enrollees directly, as part-time instructors, tutors, or advisers, either in the center or in the community; (7) developing, where feasible, job or career opportunities for enrollees in the community; and (8) promoting interchanges of information and techniques among, and cooperative projects involving, the center and community schools, educational institutions, and agencies serving young people.

Counseling and Job Placement

Sec. 112. (a) The Director shall provide for the counseling and testing of each enrollee at regular intervals to follow his progress in educational and vocational programs.

(b) The Director shall counsel and test each enrollee prior to his scheduled termination to determine his capabilities and shall seek to place him in a job in the vocation for which he is trained and in which he is likely to succeed, or shall assist him in attaining further training or education. In placing enrollees in jobs, the Director shall utilize the United States Employment Service to the fullest extent possible.

(c) The Secretary of Labor shall make arrangements to determine the status and progress of terminees and to assure that their needs for further education, training, and counseling may be met.

(d) Upon termination of an enrollee's training, a copy of his pertinent records, including data derived from his counseling and testing, other than confidential information, shall be made available immediately to the Department of Labor and the Office of Economic Opportunity.

(e) The Director shall, to the extent feasible in accordance with section 637(b) of this Act, arrange for the readjustment allowance provided for in section 109(c) of this Act, less any sums already paid pursuant to subsection (d) of that section, to be paid to former enrollees (who have not already found employment) at the public employment service office nearest the home of any such former enrollee, if he is returning to his home, or at the nearest such office to the community in which the former enrollee has indicated an intent to reside. The Secretary of Labor shall make arrangements by which public employment service officers will maintain records regarding former enrollees who are thus paid at such offices including information as to—

(1) the number of former enrollees who have declined the offices' help in finding a job;

(2) the number who were successfully placed in jobs without further education or training;

(3) the number who were found to require further training before being placed in jobs and the types of training programs in which they participated; and

(4) the number who were found to require further remedial or basic education in order to qualify for training programs, together with information as to the types of programs for which such former enrollees were found unqualified for enrollment.

If the Director deems it advisable to utilize the services of any other public or private organization or agency in lieu of the public employment office, he shall arrange for that organization or agency to make the payment of the readjustment allowance and maintain the same types of records regarding former enrollees as are herein specified for maintenance by public employment service offices, and shall furnish copies of such records to the Secretary of Labor. In the case of enrollees who are placed in jobs by the Director prior to the termination of their participation in the Job Corps, the Director shall maintain records providing pertinent placement and follow-up information.

Evaluation; Experimental and Developmental Projects

Sec. 113. (a) The Director shall provide for the careful and systematic evaluation of the Job Corps program, directly or by contracting for independent evaluations, with a view to measuring specific benefits, so far as practicable, and providing information needed to assess the effectiveness of program procedures, policies, and methods of operation. In particular, this evaluation shall seek to determine the costs and benefits resulting from the use of residential as opposed to nonresidential facilities, from the use of facilities combining residential and nonresidential components, from the use of centers with large as opposed to small enrollments, and from the use of different types of program sponsors, including public agencies, institutions of higher education, boards of education, and private corporations. The evaluation shall also include comparisons with proper control groups composed of persons who have not participated in the program. In carrying out such evaluations, the Director shall arrange for obtaining the opinions of participants about the strengths and weaknesses of the program and shall consult with other agencies and officials in order to compare the relative effectiveness of Job Corps techniques with those used in other programs, and shall endeavor to secure, through employers, schools, or other Government and private agencies specific information concerning the residence of former enrollees, their employment status, compensation, and success in adjusting to community life. He shall also secure, to the extent feasible, similar information directly from enrollees at appropriate intervals following their completion of the Job Corps program. The results of such evaluation shall be published and shall be summarized in the report required by section 608.

(b) The Director may undertake or make grants or contracts for experimental, research, or demonstration projects directed to developing or testing ways of securing the better use of facilities, or encouraging a more rapid adjustment of enrollees to community life that will permit a reduction in the period of their enrollment, of reducing transportation and support costs, or of otherwise promoting greater efficiency and effectiveness in the program authorized under this part. These projects shall include one or more projects providing youths with education, training, and other supportive services on a combined residential and nonresidential basis. The Director may, if he deems it advisable, undertake one or more pilot projects designed to involve youth who have a history of serious and violent behavior against persons or property, repetitive delinquent acts, narcotics addiction, or other behavioral aberrations. Projects under this subsection shall be

developed after appropriate consultation with other Federal or State agencies conducting similar or related programs or projects and with the prime sponsors, as described in part B of this title, in the communities where the projects will be carried out. They may be undertaken jointly with other Federal or federally assisted programs, including programs under part B of this title, and funds otherwise available for activities under those programs shall, with the consent of the head of any agency concerned, be available to projects under this section to the extent they include the same or substantially similar activities. The Director may waive any provision of this title which he finds would prevent the carrying out of elements of projects under this subsection essential to a determination of their feasibility and usefulness. He shall, either in the report required by section 608 or a separate annual document, report to the Congress concerning the actions taken under this section, including a full description of progress made in connection with combined residential and nonresidential projects.

(c) In order to determine whether upgraded vocational education schools could eliminate or substantially reduce the school dropout problem, and to demonstrate how communities could make maximum utilization of existing educational and training facilities, the Director, in cooperation with the Commissioner of Education, shall enter into one or more agreements with State educational agencies to pay the cost of establishing and operating model community vocational education schools and skill centers. Such facilities shall be centrally located in an urban area having a high dropout rate, a large number of unemployed youths, and a need in the area for a combination vocational school and skill center. No such agreement shall be entered into unless it contains provisions designed to assure that—

- (1) a job survey be made of the area;
- (2) the training program of the school and skill center reflect the job market needs as projected by the survey;
- (3) an advisory committee composed of representatives of business, labor, education, and community leaders be formed to follow the center's activities and to make periodic recommendations regarding its operation;
- (4) arrangements have been worked out with schools in the area and the administrator of the skill center for maximum utilization of the center both during and after school hours; and
- (5) such accounting and evaluation procedures as the Director and the Commissioner of Education deem necessary to carry out the purpose of this project will be provided.

Advisory Boards and Committees

Sec. 114. The Director shall make use of advisory committees or boards in connection with the operation of the Job Corps, and the operation of Job Corps centers, whenever he determines that the availability of outside advice and counsel on a regular basis would be of substantial benefit in identifying and overcoming problems, in planning program or center development, or in strengthening relationships between the Job Corps and agencies, institutions, or groups engaged in related activities. Nothing in this section shall be considered as limiting the functions of the National Advisory Council, established pursu-

ant to section 605 of this Act, with respect to any matter or question involving the Job Corps; but this shall not prevent the establishment through or in cooperation with the National Advisory Council of one or more boards or committees under this section.

Participation of the States

Sec. 115. (a) The Director shall take necessary action to facilitate the effective participation of States in the Job Corps program, including, but not limited to, consultation with appropriate State agencies on matters pertaining to the enforcement of applicable State laws, standards of enrollee conduct and discipline, the development of meaningful work experience and other activities for enrollees, and coordination with State-operated programs.

(b) The Director may enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this part. The Director may, pursuant to regulations, pay part or all of the operative or administrative costs of such programs.

(c) No Job Corps center or other similar facility designed to carry out the purpose of this Act shall be established within a State unless a plan setting forth such proposed establishment has been submitted to the Governor, and such plan has not been disapproved by him within 30 days of such submission.

Application of Provisions of Federal Law

Sec. 116. (a) Except as otherwise specifically provided in the following paragraphs of this subsection, enrollees in the Job Corps shall not be considered Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those regarding hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits:

(1) For purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.), enrollees shall be deemed employees of the United States and any service performed by an individual as an enrollee shall be deemed to be performed in the employ of the United States.

(2) For purposes of subchapter I of chapter 81 of title 5 of the United States Code (relating to compensation to Federal employees for work injuries), enrollees shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except as follows:

(A) The term "performance of duty" shall not include any act of an enrollee while absent from his or her assigned post of duty, except while participating in an activity (including an activity while on pass or during travel to or from such post of duty) authorized by or under the direction and supervision of the Job Corps;

(B) In computing compensation benefits for disability or death, the monthly pay of an enrollee shall be deemed that received under the entrance salary for a grade GS-2 employee, and sections

8113 (a) and (b) of title 5, United States Code, shall apply to enrollees; and

(C) Compensation for disability shall not begin to accrue until the day following the date on which the injured enrollees is terminated.

(3) For purposes of the Federal tort claims provisions in title 28, United States Code, enrollees shall be considered employees of the Government.

(b) When the Director finds a claim for damage to persons or property resulting from the operation of the Job Corps to be a proper charge against the United States, and it is not cognizable under section 2672 of title 28, United States Code, he may adjust and settle it in an amount not exceeding \$500.

(c) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Director for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

Special Limitations

Sec. 117. (a) The Director shall not use any funds made available to carry out this part for the fiscal year ending June 30, 1968, in a manner that will increase the residential capacity of Job Corps centers above forty-five thousand enrollees.

(b) The Director shall take necessary action to assure that on or before June 30, 1968, of the total number of Job Corps enrollees receiving training, at least 25 per centum shall be women. The Director shall immediately take steps to achieve an enrollment ratio of 50 per centum women enrollees in training in the Job Corps consistent with (1) efficiency and economy in the operation of the program, (2) sound administrative practice, and (3) the socioeconomic, educational, and training needs of the population to be served.

(c) The Director shall take necessary action to assure that for any fiscal year the direct operating costs of Job Corps centers which have been in operation for more than nine months do not exceed \$6,900 per enrollee.

(d) The Director shall take necessary action to assure that all studies, evaluations, proposals, and data produced or developed with Federal funds in the course of the operation of any conservation or training center shall become the property of the United States.

Political Discrimination and Political Activity

Sec. 118. (a) No officer or employee of the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or beliefs of any enrollee or applicant for enrollment in the Corps. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened, or promised by any person in the executive branch of the Federal Government against or in favor of any enrollee in the Corps, or any applicant for enrollment

in the Corps because of his political affiliation or beliefs, except as may be specifically authorized or required by law.

(b) No officer, employee, or enrollee of the Corps shall take any active part in political management or in political campaigns, except as may be provided by or pursuant to statute, and no such officer, employee, or enrollee shall use his official position or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates. Any officer, employee, enrollee, or Federal employee who solicits funds for political purposes from members of the Corps shall be in violation of the Federal Corrupt Practices Act, 1925.

(c) Whenever the United States Civil Service Commission finds that any person has violated the foregoing provisions, it shall, after giving due notice and opportunity for explanation to the officer or employee or enrollee concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective actions.

PART B—WORK AND TRAINING FOR YOUTH AND ADULTS ⁴

Statement of Purpose

Sec. 120. The purpose of this part is to provide useful work and training opportunities, together with related services and assistance, that will assist low-income youths to continue or resume their education, and to help unemployed or low-income persons, both young and adult, to obtain and hold regular competitive employment, with maximum opportunities for local initiative in developing programs which respond to local needs and problems, and with emphasis upon a comprehensive approach which includes programs using both public and private resources to overcome the complex problems of the most severely disadvantaged in urban and rural areas having high concentrations or proportions of unemployment, underemployment, and low income.

Community Program Areas and Comprehensive Work and Training Programs

Sec. 121. (a) The Director shall designate or recognize community program areas for the purpose of planning and conducting comprehensive community work and training programs.

(b) For the purpose of this part, a community may be a city, county, multicounty, or multicounty unit, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organizational base and possesses the commonality of interest needed for a comprehensive work and training program. The Director shall consult with the heads of other Federal agencies responsible for programs relating to community action, manpower services, physical and economic development, housing, education, health, and other community services to encourage the establishment of coterminous or complementary bound-

⁴P.L. 90-222, sec. 102, amended Part B of title I in its entirety.

aries for planning purposes among those programs and comprehensive work and training programs assisted under this part.

(c) A comprehensive work and training program must seek to provide participants an unbroken sequence of services which will enable them to obtain and hold employment. It shall provide a systematic approach to planning and implementation including the linkage of relevant component programs authorized by this Act with one another and with other appropriate public and private programs and activities. It shall also provide for evaluation.

Prime Sponsors and Delegate Agencies

Sec. 122. (a) For each community program area, the Director shall recognize a public or private nonprofit agency which shall serve as the prime sponsor to receive funds under section 123 (except as otherwise provided in section 123(c)). This agency must be capable of planning, administering, coordinating, and evaluating a comprehensive work and training program.

(b) The prime sponsor shall provide for participation of employers and labor organizations in the planning and conduct of the comprehensive work and training programs.

(c) The prime sponsor shall be encouraged to make use of public and private organizations as delegate agencies to carry out components of the comprehensive work and training program, including without limitation agencies governed with the participation of the poor and other residents of the neighborhoods or rural areas served, educational institutions, the public employment service, the public welfare agency, other health and welfare agencies, private training institutions, and other capable public and private organizations.

(d) The prime sponsor and delegate agencies shall provide for participation of residents of the area and members of the groups served in the planning, conduct, and evaluation of the comprehensive work and training program and its components. Such persons shall be provided maximum employment opportunity in the conduct of component programs, including opportunity for further occupational training and career advancement.

(e) The Director shall prescribe regulations to assure that programs under this part have adequate internal administrative controls, accounting requirements, personnel standards, evaluation procedures, and other policies as may be necessary to promote the effective use of funds.

Eligible Activities

Sec. 123. (a) The Director may provide financial assistance in urban and rural areas for comprehensive work and training programs or components of such programs, including the following:

(1) programs to provide part-time employment, on-the-job training, and useful work experience for students from low-income families who are in the ninth through twelfth grades of school (or are of an age equivalent to that of students in such grades) and who are in need of the earnings to permit them to resume or maintain attendance in school;

(2) programs to provide unemployed, underemployed, or low-income persons (aged sixteen and over) with useful work and

training (which must include sufficient basic education and institutional or on-the-job training) designed to assist those persons to develop their maximum occupational potential and to obtain regular competitive employment;

(3) special programs which involve work activities directed to the needs of those chronically unemployed poor who have poor employment prospects and are unable, because of age, lack of employment opportunity, or otherwise, to secure appropriate employment or training assistance under other programs, and which, in addition to other services provided, will enable such persons to participate in projects for the betterment or beautification of the community or area served by the program, including without limitation activities which will contribute to the management, conservation, or development of natural resources, recreational areas, Federal, State, and local government parks, highways, and other lands;

(4) special programs which provide unemployed or low-income persons with jobs leading to career opportunities, including new types of careers, in programs designed to improve the physical, social, economic, or cultural condition of the community or area served in fields including without limitation health, education, welfare, neighborhood redevelopment, and public safety, which provide maximum prospects for advancement and continued employment without Federal assistance, which give promise of contributing to the broader adoption of new methods of structuring jobs and new methods of providing job ladder opportunities, and which provide opportunities for further occupational training to facilitate career advancement;

(5) special programs which concentrate work and training resources in urban and rural areas having large concentrations or proportions of low-income, unemployed persons, and within those rural areas having substantial outmigration to urban areas, which are appropriately focused to assure that work and training opportunities are extended to the most severely disadvantaged persons who can reasonably be expected to benefit from such opportunities, and which are supported by specific commitments of cooperation from private and public employers;

(6) supportive and follow-up services to supplement work and training programs under this or other Acts including health services, counseling, day care for children, transportation assistance, and other special services necessary to assist individuals to achieve success in work and training programs and in employment;

(7) employment centers and mobile employment service units to provide recruitment, counseling, and placement services, conveniently located in urban neighborhoods and rural areas and easily accessible to the most disadvantaged;

(8) programs to provide incentives to private employers, other than nonprofit organizations, to train or employ unemployed or low-income persons, including arrangements by direct contract, reimbursements to employers for a limited period when an employee might not be fully productive, payment for on-the-job counseling and other supportive services, payment of all or part of employer costs of sending recruiters into urban and rural areas

of high concentrations or proportions of unemployed or low-income persons, and payments to permit employers to provide employees resident in such areas with transportation to and from work or to reimburse such employees for such transportation: *Provided*, That in making such reimbursements to employers the Director shall assure that the wages paid any employee shall not be less than the minimum wage which would be applicable to employment under the Fair Labor Standards Act of 1938 if section 6 of such Act applied to the employee and he was not exempt under section 13 thereof; and

(9) means of planning, administering, coordinating, and evaluating a comprehensive work and training program.

(b) Commencing July 1, 1968, all work and training component programs conducted in a community under this section shall be consolidated into the comprehensive work and training program and financial assistance for such components shall be provided to the prime sponsor unless the Director determines there is a good cause for providing an extension of time, except as otherwise provided by subsection (c). After that date, the work and training components of programs authorized by section 502 of this Act and by section 261 of part E of title II of the Manpower Development and Training Act of 1962 shall to the maximum extent feasible be linked to the comprehensive work and training program, including funding through the prime sponsor where appropriate.

(c) The Director may provide financial assistance to a public agency or private organization other than a prime sponsor to carry out one or more component programs described in subsection (a) when he determines, after soliciting and considering comments of the prime sponsor, if any, that such assistance would enhance program effectiveness or acceptance on the part of persons served and would serve the purposes of this part. In the case of programs under subsection (a) (1) of this section, financial assistance may be provided directly to local or State educational agencies pursuant to agreements between the Director and the Secretary of Labor providing for the operation of such programs under direct grants or contracts.

Special Conditions

Sec. 124. (a) The Director shall not provide financial assistance for any program under this part unless he determines, in accordance with such regulations as he may prescribe, that—

(1) no participant will be employed on projects involving political parties, or the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship;

(2) the program will not result in the displacement of employed workers or impair existing contracts for services, or result in the substitution of Federal for other funds in connection with work that would otherwise be performed;

(3) the rates of pay for time spent in work-training and education, and other conditions of employment, will be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant; and

(4) the program will, to the maximum extent feasible, contribute to the occupational development or upward mobility of individual participants.

(b) The Director shall terminate financial assistance for any program under this part in any case in which he determines that any person charged, in whole or part, with the responsibility for the administration of the program is a member of the Communist Party.

(c) For programs which provide work and training related to physical improvements, preference shall be given to those improvements which will be substantially used by low-income persons and families or which will contribute substantially to amenities or facilities in urban or rural areas having high concentrations or proportions of low-income persons and families.

(d) Programs approved under this part shall, to the maximum extent feasible, contribute to the elimination of artificial barriers to employment and occupational advancement.

(e) Projects under this part shall provide for maximum feasible use of resources under other Federal programs for work and training and the resources of the private sector.

Program Participants

Sec. 125. (a) Participants in programs under this part must be unemployed or low-income persons. The Director, in consultation with the Social Security Administrator, shall establish criteria for low income, taking into consideration family size, urban-rural and farm-nonfarm differences, and other relevant factors. Any individual shall be deemed to be from a low-income family if the family receives cash welfare payments.

(b) Participants must be permanent residents of the United States or of the Trust Territory of the Pacific Islands.

(c) Participants shall not be deemed Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employment benefits.

Elderly

Sec. 126. The Director shall provide that programs under this part shall be designed to deal with the incidence of long-term unemployment among persons fifty-five years and older. In the conduct of such programs, the Director shall encourage the employment of such persons as regular, part-time, and short-term staff in component programs.

Equitable Distribution of Assistance ⁵

Sec. 126. The Commissioner shall establish criteria designed to achieve such distribution of assistance under this part among institutions of higher education within a State as will most effectively carry out the purposes of this Act.

⁵ Although P.L. 90-222 added new section 126, it contains no repeal or renumbering of former section 126.

Pilot Projects

Sec. 127. (a) The Director may provide financial assistance to public or private organizations for pilot projects which are designed to develop new approaches to further the objectives of this part. Such projects may be conducted by public agencies or private organizations.

(b) The Director shall undertake pilot projects designed to encourage the maximum participation of private employers, other than nonprofit organizations, in work and training programs under this part.

(c) Before the Director may approve a pilot project, he shall solicit and consider comments on such project from the prime sponsor, if any, in the community where the project will be undertaken.

Technical Assistance and Training

Sec. 128. The Director may provide (directly or through contracts or other appropriate arrangements) technical assistance to assist in the initiation or effective operation of programs under this part. He may also make arrangements for the training of instructors and other personnel needed to carry out work and training programs under this part and part D of this title. He shall give special consideration to the problems of rural areas.

Role of the States

Sec. 129. The Director may provide financial assistance to appropriate State agencies to—

(1) provide technical assistance and training, as authorized by section 128, with particular emphasis upon service to rural areas and for this purpose preference shall be given to the State agency which administers programs assisted by section 231;

(2) assist in coordinating State activities related to this part;

(3) operate work and training programs in communities which have not yet established an acceptable prime sponsor; and

(4) provide work and training opportunities on State projects and in State agencies: *Provided*, That these opportunities shall be made available to participants in community work and training programs.

Equitable Distribution of Assistance

Sec. 130. Of the sums appropriated or allocated for any fiscal year for programs authorized under this title, the Director shall reserve not to exceed 20 per centum for the purpose of carrying out section 123 (a) (5); but not more than 12½ per centum of the funds so reserved for any fiscal year shall be used within any one State. With respect to the remaining funds appropriated or allocated to carry out the provisions of section 123, the Director shall establish criteria designed to achieve an equitable distribution of assistance among the States. In developing those criteria, he shall consider, among other relevant factors, the ratios of population, unemployment, and family income levels.

Limitations on Federal Assistance

Sec. 131. Federal financial assistance to any program or activity carried out pursuant to section 123 of this part shall not exceed 90 per centum of the cost of such program or activity, including costs of administration. The director may, however, approve assistance in excess of that percentage if he determines, pursuant to regulations establishing objective criteria for such determinations, that this is necessary in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services. If in any fiscal year, a community provides non-Federal contributions under this part exceeding its requirements under this section, such excess may be used to meet its requirements for such contributions under section 225(c).

Program Data and Evaluation

Sec. 132. (a) The Director shall provide for the development and implementation of a program data system consistent with similar data systems for other relevant Federal programs. Such data shall be published periodically.

(b) The Director shall provide for the continuing evaluation of the programs under this part, including their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for the delivery of services, and he shall arrange for obtaining the opinions of participants about the strengths and weaknesses of the programs. This evaluation shall include comparisons with proper control groups composed of persons who have not participated in such programs, and shall seek to develop comparative data on the costs and benefits of work and training programs authorized by this Act and by other Acts, including the Manpower Development and Training Act of 1962. He may, for this purpose, contract for independent evaluations of such programs or individual projects. The results of such evaluations shall be included in the report required by section 608.

(c) The Director shall develop and publish standards for evaluation of program effectiveness in achieving the objectives of this part. Such standards shall be considered in deciding whether to renew or supplement financial assistance provided by sections 123, 128, and 129.

PART C—WORK-STUDY PROGRAMS

Statement of Purpose

Sec. 141. The purpose of this part is to stimulate and promote the part-time employment of students, particularly students from low-income families, in institutions of higher education who are in need of the earnings from such employment to pursue courses of study at such institutions.

Allotments to States

Sec. 142. (a) From the sums appropriated to carry out this title for a fiscal year, the Commissioner of Education (hereinafter in this part referred to as the "Commissioner") shall reserve the amount needed for making grants under section 143. Not to exceed 2 per

centum of the amount so reserved shall be allotted by the Commissioner among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Commissioner among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of persons enrolled on a full-time basis in institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in institutions of higher education in all the States,

(2) one-third shall be allotted by the Commissioner among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of high school graduates (as defined in section 103(d) (3) of the Higher Education Facilities Act of 1963) of such State bears to the total number of such high school graduates of all the States, and

(3) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in such State bears to the number of related children under eighteen years of age living in families with annual incomes of less than \$3,000 in all the States.

(c) The amount of any State's allotment which has not been granted to an institution of higher education under section 123 at the end of the fiscal year for which appropriated shall be reallotted by the Commissioner, in such manner as he determines will best assist in achieving the purposes of this Act. Amounts reallotted under this subsection shall be available for making grants under section 123 until the close of the fiscal year next succeeding the fiscal year for which appropriated.

(d) For purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

Grants for Work-Study Programs

Sec. 143. (a) The Commissioner is authorized to enter into agreements with institutions of higher education under which the Commissioner will make grants to such institutions to assist in the operation of work-study programs as hereinafter provided.

(b) For the purposes of this part—

(1) The term "institution of higher education" means an educational institution in any State which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, (B) is legally authorized within such State to provide a program of education beyond secondary edu-

cation, (C) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (D) is a public or other nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose or, if not so accredited, (i) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. Such term also includes any public or other nonprofit collegiate or associate degree school of nursing and any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions of clauses (A), (B), (D), and (E). If the Commissioner determines that a particular category of such school does not meet the requirements of clause (E) because there is no nationally recognized accrediting agency or association, qualified to accredit schools in such category, he shall, pending the establishment of such an accrediting agency or association appoint an advisory committee, composed of persons specially qualified to evaluate training provided by schools in such category, which shall (I) prescribe the standards of content, scope, and quality which must be met in order to qualify schools in such category to participate in the program pursuant to this part, and (II) determine whether particular schools not meeting the requirements of clause (E) meet those standards. For purposes of this subsection, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

(2) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively an accredited program of education in professional nursing and allied subjects leading to the degree of bachelor of arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing.

(3) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively an accredited two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree.

(4) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies approved for such purpose by the Commissioner.

Conditions of Agreements

Sec. 144. An agreement entered into pursuant to section 143 shall—

(a) provide for the operation by the institution of a program for the part-time employment of its students in work for the institution itself or work in the public interest for a public or private nonprofit organization under an arrangement between the institution and such organization, and such work—

(1) will not result in the displacement of employed workers or impair existing contracts for services,

(2) will be governed by such conditions of employment as will be appropriate and reasonable in light of such factors as type of work performed, geographical region, and proficiency of the employee, and

(3) does not involve the construction, operation, or maintenance of so much of any facility as is used or is to be used for sectarian instruction or as a place for religious worship;

(b) provide that funds granted an institution of higher education, pursuant to section 143 may be used only to make payments to students participating in work-study programs, except that an institution may use a portion of the sums granted to it to meet administrative expenses, but the amount so used may not exceed 5 per centum of the payments made by the Commissioner to such institution for that part of the work-study program in which students are working for public or nonprofit organizations other than the institution itself;

(c) provide that in the selection of students for employment under such work-study program preference shall be given to students from low-income families and that employment under such work-study program shall be furnished only to a student who (1) is in need of the earnings from such employment in order to pursue a course of study at such institution, (2) is capable, in the opinion of the institution, of maintaining good standing in such course of study while employed under the program covered by the agreement, and (3) has been accepted for enrollment as a full-time student at the institution or, in the case of a student already enrolled in and attending the institution, is in good standing and in full-time attendance there either as an undergraduate, graduate, or professional student;

(d) provide that the average hours of employment of a student under such work-study program, shall not exceed fifteen per week over a semester, or other term used by the institution in awarding credits, during which the student is enrolled in classes.⁶

(e) provide that in each fiscal year during which the agreement remains in effect, the institution shall expend (from sources other than payments under this part) for the employment of its students (whether or not in employment eligible for assistance under this part) an amount that is not less than its average annual

⁶ P.L. 90-82, sec. 1, enacted September 6, 1967, amended subsection 124(d) in its entirety. Prior to such amendment, this subsection read:

"(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session;"

expenditure for such employment during the three fiscal years preceding the fiscal year in which the agreement is entered into;

(f) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 90 per centum of such compensation for work performed during the period ending three years after the date of enactment of this Act, 85 per centum during the fourth year after such date, 80 per centum during the fifth year after such date,⁷ and 75 per centum thereafter;

(g) include provisions designed to make employment under such work-study program, or equivalent employment offered or arranged for by the institution, reasonably available (to the extent of available funds) to all eligible students in the institution in need thereof; and

(h) include such other provisions as the Commissioner shall deem necessary or appropriate to carry out the purposes of this part.

Sources of Matching Funds

Sec. 145. Nothing in this part shall be construed as restricting the source (other than this part) from which the institution may pay its share of the compensation of a student employed under a work-study program covered by an agreement under this part, and such share may be paid to such student in the form of services and equipment (including tuition, room, board, and books) furnished by such institution.

PART D—SPECIAL IMPACT PROGRAMS⁸

Statement of Purpose

Sec. 150. The purpose of this part is to establish special programs which (1) are directed to the solution of the critical problems existing in particular communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) within those urban areas having especially large concentrations of low-income persons, and within those rural areas having substantial out-migration to eligible urban areas, and (2) are of sufficient size and scope to have an appreciable impact in such communities and neighborhoods in arresting tendencies toward dependency, chronic unemployment, and rising community tensions.

Establishment of Programs

Sec. 151. The Director is authorized to provide financial assistance to public agencies or private organizations for the payment of all or part of the costs of programs which are designed to carry out the purposes of this part. Such programs shall be restricted in number so that each is of sufficient size and scope to have an appreciable impact on the area served. Such programs may include—

(1) economic and business development programs, including programs which provide financial and other incentives to business to locate in or near the areas served so as to provide employment opportunities for residents of those areas, and programs such as

⁷ P.L. 90-82, sec. 2, enacted September 6, 1967, inserted "85 per centum during the fourth year after such date, 80 per centum during the fifth year after such date,".

⁸ P.L. 90-222, sec. 103, amended Part D of title I in its entirety.

those described in title IV of this Act for small businesses in or owned by residents of such areas;

(2) community development activities which create new training and employment opportunities and which contribute to an improved living environment; and

(3) manpower training programs for unemployed or low-income persons which support and complement economic, business, and community development programs, including without limitation activities such as those described in part B of this title.

Requirements for Financial Assistance

Sec. 152. (a) The Director shall not provide financial assistance for any program or component project under this part unless he determines that—

(1) all projects and related facilities will, to the maximum feasible extent, be located in the area served;

(2) projects will, where feasible, promote the development of entrepreneurial and management skills and the ownership or participation in ownership of assisted businesses by residents of the area served;

(3) projects will be planned and carried out with the maximum participation of local businessmen by their inclusion on program boards of directors, advisory councils, or through other appropriate means;

(4) the program will be appropriately coordinated with local planning under this Act, the Demonstration Cities and Metropolitan Development Act of 1966, and with other relevant plans for physical and human resources of the areas served;

(5) the requirements of subsections 122(e) and 124(a) of this Act have been met;

(6) preference will be given to the residents of the areas served in filling jobs and training opportunities; and

(7) training programs financed under this part shall be designed wherever feasible to provide those persons who successfully complete such training with skills which are also in demand in communities or neighborhoods other than those for which programs are established under this part.

(b) Financial assistance under this section shall not be extended to assist in the relocation of establishments from one location to another if such relocation would result in an increase in unemployment in the area of original location.

(c) The level of financial assistance for related purposes under this Act to the area served by a special impact program shall not be diminished in order to substitute funds authorized by this part.

(d) Of the sums appropriated or allocated for any fiscal year for programs authorized under this title, the Director shall reserve not less than 7 per centum for the purpose of carrying out this part.

Application of Other Federal Resources

Sec. 153. (a) The Secretary of Housing and Urban Development shall, in consultation with the Director, take all necessary steps under the authority granted to him under title I of the Housing Act of 1949

to assure that land for business location and expansion purposes is made available as may be necessary to carry out the purpose of this part.

(b) Areas selected for assistance under this part shall be deemed "redevelopment areas" within the meaning of section 401 of the Public Works and Economic Development Act of 1965 and shall qualify for assistance under the provisions of title II of that Act.

(c) The Director shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided with Federal funds are placed in such a way as to further the purposes of this part.

Evaluation

Sec. 154. Each program for which payments are made under section 151 shall provide for a thorough evaluation of the effectiveness of the program in achieving the goals of this part. This evaluation shall be conducted by such public or private organizations as the Director may designate, and up to 100 per centum of the costs of evaluation may be paid from funds appropriated to carry out this part. The results of such evaluations or a summary of them, together with the Director's findings and recommendations concerning the program, shall be included in the report required by section 608.

Federal Share of Program Costs

Sec. 155. Federal grants to any program carried out pursuant to this part shall not exceed 90 per centum of the cost of such program, including costs of administration, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this part. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services: *Provided*, That where capital investment is required under a contract with a private organization (other than a nonprofit organization), the Federal share thereof shall not exceed 90 per centum of such capital investment and the non-Federal share shall be as defined above.

PART E—DURATION OF PROGRAM⁹

Sec. 161. The Director shall carry out the programs for which he is responsible under this title during the fiscal year ending June 30, 1967, and the three succeeding fiscal years. For each such fiscal year only such sums may be appropriated as the Congress may authorize by law.

⁹ P.L. 89-794, sec. 114, amended Part D of Title I by substituting Part E. Prior to such amendment, Part D read:

"PART D—AUTHORIZATION OF APPROPRIATIONS

"Sec. 131. The Director shall carry out the programs for which he is responsible under this title during the fiscal year ending June 30, 1965, and the three succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$412,500,000 for the fiscal year ending June 30, 1965, and the sum of \$700,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law."

TITLE II—URBAN AND RURAL COMMUNITY ACTION PROGRAMS ¹⁰

Statement of Purpose

Sec. 201. (a) This title provides for community action agencies and programs, prescribes the structure and describes the functions of community action agencies and authorizes financial assistance to community action programs and related projects and activities. Its basic purpose is to stimulate a better focusing of all available local, State, private, and Federal resources upon the goal of enabling low-income families, and low-income individuals of all ages, in rural and urban areas, to attain the skills, knowledge, and motivations and secure the opportunities needed for them to become fully self-sufficient. Its specific purposes are to promote, as methods of achieving a better focusing of resources on the goal of individual and family self-sufficiency—

(1) the strengthening of community capabilities for planning and coordinating Federal, State, and other assistance related to the elimination of poverty, so that this assistance, through the efforts of local officials, organizations, and interested and affected citizens, can be made more responsive to local needs and conditions;

(2) the better organization of a range of services related to the needs of the poor, so that these services may be made more effective and efficient in helping families and individuals to overcome particular problems in a way that takes account of, and supports their progress in overcoming, related problems;

(3) the greater use, subject to adequate evaluation, of new types of services and innovative approaches in attacking causes of poverty, so as to develop increasingly effective methods of employing available resources;

(4) the development and implementation of all programs and projects designed to serve the poor or low-income areas with the maximum feasible participation of residents of the areas and members of the groups served, so as to best stimulate and take full advantage of capabilities for self-advancement and assure that those programs and projects are otherwise meaningful to and widely utilized by their intended beneficiaries; and

(5) the broadening of the resource base of programs directed to the elimination of poverty, so as to secure, in addition to the services and assistance of public officials, private religious, charitable, and neighborhood organizations, and individual citizens, a more active role for business, labor, and professional groups able to provide employment opportunities or otherwise influence the quantity and quality of services of concern to the poor.

(b) It is further declared to be the purpose of this title and the policy of the Office of Economic Opportunity to provide for basic education, health care, vocational training, and employment opportunities in rural America to enable the poor living in rural areas to remain in such areas and become self-sufficient therein. It shall not be the purpose of this title or the policy of the Office of Economic Opportunity to encourage the rural poor to migrate to urban areas, inasmuch as it is the finding of Congress that continuation of such migration is fre-

¹⁰ P.L. 90-222, sec. 104 amended title II in its entirety.

quently not in the best interests of the poor and tends to further congest the already overcrowded slums and ghettos of our Nation's cities.

PART A—COMMUNITY ACTION AGENCIES AND PROGRAMS

Designation of Community Action Agencies; Community Action Programs

Sec. 210. (a) A community action agency shall be a State or political subdivision of a State (having elected or duly appointed governing officials), or a combination of such political subdivisions, or a public or private nonprofit agency or organization which has been designated by a State or such a political subdivision or combination of such subdivisions, which—

(1) has the power and authority and will perform the functions set forth in section 212, including the power to enter into contracts with public and private nonprofit agencies and organizations to assist in fulfilling the purposes of this title, and

(2) is determined to be capable of planning, conducting, administering and evaluating a community action program and is currently designated as a community action agency by the Director.

A community action program is a community based and operated program—

(1) which includes or is designed to include a sufficient number of projects or components to provide, in sum, a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;

(2) which has been developed, and which organizes and combines its component projects and activities, in a manner appropriate to carry out all the purposes of this title; and

(3) which conforms to such other supplementary criteria as the Director may prescribe consistent with the purposes and provisions of this title.

(b) Components of a community action program may be administered by the community action agency, where consistent with sound and efficient management and applicable law, or by other agencies. They may be projects eligible for assistance under this title, or projects assisted from other public or private sources; and they may be either specially designed to meet local needs, or designed pursuant to the eligibility standards of a State or Federal program providing assistance to a particular kind of activity which will help in meeting those needs.

(c) For the purpose of this title, a community may be a city, county, multicounty, or multicounty unit, an Indian reservation, or a neighborhood or other area (irrespective of boundaries or political subdivisions) which provides a suitable organizational base and possesses the commonality of interest needed for a community action program. The director shall consult with the heads of other Federal agencies responsible for programs relating to work and training programs, physical and economic development, housing, education, health, and other community services to encourage the establishment of coterminous or complementary boundaries for planning purposes

among those programs and community action programs assisted under this title.

(d) The Director may designate and provide financial assistance to a public or private nonprofit agency as a community action agency in lieu of a community action agency designated under subsection (a) for activities of the kind described in this title where he determines (1) that the community action agency serving the community has failed, after having a reasonable opportunity to do so, to submit a satisfactory plan for a community action program which meets the criteria for approval set forth in this title, or to carry out such plan in a satisfactory manner, or (2) that neither the State nor any qualified political subdivision or combination of such subdivisions is willing to be designated as the community action agency for such community or to designate a public or private nonprofit agency or organization to be so designated by the Director.

(e) No political subdivision of a State shall be included in the community action program of a community action agency designated under section 210(a) if the elected or duly appointed governing officials of such political subdivision do not wish to be so included. Such political subdivision, and any public or private nonprofit organization or agency designated by it, shall be eligible for designation as a community action agency on the same basis as other political subdivisions and their designees.

(f) For the purposes of this title, a tribal government of an Indian reservation shall be deemed to be a political subdivision of a State.

Community Action Agencies and Boards

Sec. 211. (a) Each community action agency which is a State or a political subdivision of a State, or a combination of political subdivisions, shall administer its program through a community action board which shall meet the requirements of subsection (b). Each community action agency which is a public or private nonprofit agency or organization designated by a State or political subdivision of a State, or combination of political subdivisions, or is an agency designated by the Director under section 210(d), shall have a governing board which shall meet the requirements of subsection (b).

(b) Each board to which this subsection applies shall consist of not more than fifty-one members and shall be so constituted that (1) one-third of the members of the board are public officials, including the chief elected official or officials, or their representatives, unless the number of such officials reasonably available or willing to serve is less than one-third of the membership of the board, (2) at least one-third of the members are persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served, and (3) the remainder of the members are officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community. Each member of the board selected to represent a specific geographic area within a community must reside in the area he represents. No person selected under clause (2) or (3) of this subsection as a member of a

board shall serve on such board for more than three consecutive years, or more than a total of six years.

(c) Where a community action agency places responsibility for major policy determinations with respect to the character, funding, extent, and administration of and budgeting for programs to be carried on in a particular geographic area within the community in a subsidiary board, council, or similar agency, such board, council, or agency shall be broadly representative of such area, subject to regulations of the director which assure adequate opportunity for membership of elected public officials on such board, council, or agency. Each community action agency shall be encouraged to make use of neighborhood-based organizations composed of residents of the area or members of the groups served to assist such agency in the planning, conduct, and evaluation of components of the community action program.

(d) (1) The Director shall promulgate such standards or rules relating to the scheduling and notice of meetings, quorums (which shall be not less than 50 per centum of the total membership), procedures, establishment of committees, and similar matters as he may deem necessary to assure that boards which are subject to subsection (b) provide a continuing and effective mechanism for securing broad, community involvement in programs assisted under this title and that all groups or elements represented on those boards have a full and fair opportunity to participate in decisions affecting those programs. Such standards or rules shall not preclude any such board from appointing an executive committee or similar group, which fairly reflects the composition of the board, to transact the board's business between its meetings. The quorum requirements for any such committee or group, which shall not be less than 50 percent of the membership, shall be established by the board.

(2) The Director shall require community action agencies to establish procedures under which community agencies and representative groups of the poor which feel themselves inadequately represented on the community action board or governing board may petition for adequate representation.

(e) The powers of every community action agency governing board shall include the power to appoint persons to senior staff positions, to determine major personnel, fiscal, and program policies, to approve overall program plans and priorities, and to assure compliance with conditions of and approve proposals for financial assistance under this title.

(f) Each community action board referred to in the first sentence of subsection (a) shall—

(1) have a full opportunity to participate in the development and implementation of all programs and projects designed to serve the poor or low-income areas with maximum feasible participation of residents of the areas and members of the groups served, so as to best stimulate and take full advantage of capabilities for self-advancement and assure that those programs and projects are otherwise meaningful to and widely utilized by their intended beneficiaries;

(2) have at least one-third of its members chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served;

(3) be so established and organized that the poor and residents of the area concerned will be enabled to influence the character of programs affecting their interests and regularly participate in the planning and implementation of those programs; and

(4) be a continuing and effective mechanism for securing broad community involvement in the programs assisted under this title.

Specific Powers and Functions of Community Action Agencies

Sec. 212. (a) In order to carry out its overall responsibility for planning, coordinating, evaluating, and administering a community action program, a community action agency must have authority under its charter or applicable law to receive and administer funds under this title, funds and contributions from private or local public sources which may be used in support of a community action program, and funds under any Federal or State assistance program pursuant to which a public or private nonprofit agency (as the case may be) organized in accordance with this part could act as grantee, contractor, or sponsor of projects appropriate for inclusion in a community action program. A community action agency must also be empowered to transfer funds so received, and to delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. This power to transfer funds and delegate powers must include the power to make transfers and delegations covering component projects in all cases where this will contribute to efficiency and effectiveness or otherwise further program objectives.

(b) In exercising its powers and carrying out its overall responsibility for a community action program, a community action agency shall have, subject to the purposes of this title, at least the following functions:

(1) Planning systematically for and evaluating the program, including actions to develop information as to the problems and causes of poverty in the community, determine how much and how effectively assistance is being provided to deal with those problems and causes, and establish priorities among projects, activities and areas as needed for the best and most efficient use of resources.

(2) Encouraging agencies engaged in activities related to the community action program to plan for, secure and administer assistance available under this title or from other sources on a common or cooperative basis; providing planning or technical assistance to those agencies; and generally, in cooperation with community agencies and officials, undertaking actions to improve existing efforts to attack poverty, such as improving day-to-day communication, closing service gaps, focusing resources on the most needy, and providing additional opportunities to low-income individuals for regular employment or participation in the programs or activities for which those community agencies and officials are responsible.

(3) Initiating and sponsoring projects responsive to needs of the poor which are not otherwise being met, with particular emphasis on providing central or common services that can be drawn upon by a variety of related programs, developing new approaches or new types of services that can be incorporated into other programs, and filling gaps pending the expansion or modification of those programs.

(4) Establishing effective procedures by which the poor and area residents concerned will be enabled to influence the character of programs affecting their interests, providing for their regular participation in the implementation of those programs, and providing technical and other support needed to enable the poor and neighborhood groups to secure on their own behalf available assistance from public and private sources.

(5) Joining with and encouraging business, labor, and other private groups and organizations to undertake, together with public officials and agencies, activities in support of the community action program which will result in the additional use of private resources and capabilities, with a view to such things as developing new employment opportunities, stimulating investment that will have a measurable impact in reducing poverty among residents of areas of concentrated poverty, and providing methods by which residents of those areas can work with private groups, firms, and institutions in seeking solutions to problems of common concern.

Administrative Standards

Sec. 213. (a) Each community action agency shall observe, and shall (as appropriate) require or encourage other agencies participating in a community action program to observe, standards of organization, management and administration which will assure, so far as reasonably possible, that all program activities are conducted in a manner consistent with the purposes of this title and the objective of providing assistance effectively, efficiently, and free of any taint of partisan political bias or personal or family favoritism. Each community action agency shall establish or adopt rules to carry out this section, which shall include rules to assure full staff accountability in matters governed by law, regulations, or agency policy. Each community action agency shall also provide for reasonable public access to information, including but not limited to public hearings at the request of appropriate community groups and reasonable public access to books and records of the agency or other agencies engaged in program activities or operations involving the use of authority or funds for which it is responsible. And each community action agency shall adopt for itself and other agencies using funds or exercising authority for which it is responsible, rules designed to establish specific standards governing salaries, salary increases, travel and per diem allowances, and other employee benefits; to assure that only persons capable of discharging their duties with competence and integrity are employed and that employees are promoted or advanced under impartial procedures calculated to improve agency performance and effectiveness; to guard against personal or financial conflicts of interests; and to define em-

ployee duties of advocacy on behalf of the poor in an appropriate manner which will in any case preclude employees from participating, in connection with the performance of their duties, in any form of picketing, protest, or other direct action which is in violation of law.

(b) The Director shall prescribe rules or regulations to supplement subsection (a), which shall be binding on all agencies carrying on community action program activities with financial assistance under this title. He may, where appropriate, establish special or simplified requirements for smaller agencies or agencies operating in rural areas. These special requirements shall not, however, affect the applicability of rules governing conflicts of interest, use of position or authority for partisan or nonpartisan political purposes or participation in direct action, regardless of customary practices or rules among agencies in the community. The Director shall consult with the heads of other Federal agencies responsible for programs providing assistance to activities which may be included in community action programs for the purpose of securing maximum consistency between rules or regulations prescribed or followed by those agencies and those prescribed under this section.

Housing Development and Services Organizations

Sec. 214. Each community action agency shall encourage the establishment of housing development and services organizations designed to focus on the housing needs of low-income families and individuals. Such organizations shall provide the technical, administrative, and financial assistance which is required to help low-income families and individuals more effectively to utilize existing programs, and which is required to enable nonprofit, cooperative, and public sponsors more effectively to take advantage of existing Federal, State, and local mortgage insurance and housing assistance programs. Where appropriate, such organizations may be nonprofit housing development corporations. Such corporations may themselves become sponsors of housing under existing programs of specialized housing agencies, but under no circumstances shall such corporations insure mortgages or duplicate the long-term capital financing functions of programs now administered by the specialized housing agencies. Housing development and service organizations shall coordinate their efforts with other community action agency efforts so that any programs undertaken under authority of this section shall be closely related to other community action programs.

PART B—FINANCIAL ASSISTANCE TO COMMUNITY ACTION PROGRAMS AND RELATED ACTIVITIES

General Provisions for Financial Assistance

Sec. 221. (a) The Director may provide financial assistance to community action agencies for the planning, conduct, administration and evaluation of community action programs and components. Those components may involve, without limitation, other activities and supporting facilities designed to assist participants including the elderly poor—

- (1) to secure and retain meaningful employment;

- (2) to attain an adequate education;
- (3) to make better use of available income;
- (4) to provide and maintain adequate housing and a suitable living environment;
- (5) to undertake family planning, consistent with personal and family goals, religious and moral convictions;
- (6) to obtain services for the prevention of narcotics addiction, alcoholism, and the rehabilitation of narcotic addicts and alcoholics;
- (7) to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;
- (8) to remove obstacles and solve personal and family problems which block the achievement of self-sufficiency;
- (9) to achieve greater participation in the affairs of the community; and
- (10) to make more frequent and effective use of other programs related to the purposes of this title.

He may also provide financial assistance to other public or private nonprofit agencies to aid them in planning for the establishment of a community action agency.

(b) If the Director determines that a limited purpose project or program involving activities otherwise eligible under this section is needed to serve needs of low-income families and individuals in a community and no community action agency has been designated for that community pursuant to section 210, or where a community action agency gives its approval for such a program to be funded directly through a public or private nonprofit agency or organization, he may extend financial assistance for that project or program to a public or private nonprofit agency which he finds is capable of carrying out the project in an efficient and effective manner consistent with the purpose of this title.

(c) The Director shall prescribe necessary rules or regulations governing applications for assistance under this section to assure that every reasonable effort is made by each applicant to secure the views of local public officials and agencies in the community having a direct or substantial interest in the application and to resolve all issues of cooperation and possible duplication prior to its submission.

(d) After July 1, 1968, the Director shall require, as a condition of assistance, that each community action agency has adopted a systematic approach to the achievement of the purposes of this title and to the utilization of funds provided under this part. Such systematic approach shall encompass a planning and implementation process which seeks to identify the problems and causes of poverty in the community, seeks to mobilize and coordinate relevant public and private resources, establishes program priorities, links program components with one another and with other relevant programs, and provides for evaluation. The Director may, however, extend the time for such requirement to take into account the length of time a program has been in operation. He shall also take necessary steps to assure the participation of other Federal agencies in support of the development and implementation of plans under this subsection.

(e) In order to promote local responsibility and initiative, the Director shall not establish binding national priorities on funds authorized by this section, but he shall review each application for financial assistance on its merits. Before extending financial assistance to a new community action agency under this section, and in determining the amount of and conditions on which such assistance shall be extended, the Director shall consider the extent and nature of poverty in the community and the probable capacity of the agency to carry out an effective program. In reviewing or supplementing financial assistance to a previously existing community action agency, he shall consider the progress made in carrying on programs by such agency.

Special Programs and Assistance

Sec. 222. (a) In order to stimulate actions to meet or deal with particularly critical needs or problems of the poor which are common to a number of communities, the Director may develop and carry on special programs under this section. This authority shall be used only where the Director determines that the objectives sought could not be effectively achieved through the use of authorities under section 221, including assistance to components or projects based on models developed and promulgated by him. It shall also be used only with respect to programs which (A) involve activities which can be incorporated into or be closely coordinated with community action programs, (B) involve significant new combinations of resources or new and innovative approaches, or (C) are structured in a way that will, within the limits of the type of assistance or activities contemplated, most fully and effectively promote the purposes of this title. Subject to such conditions as may be appropriate to assure effective and efficient administration, the Director may provide financial assistance to public or private nonprofit agencies to carry on local projects initiated under such special programs; but he shall do so in a manner that will encourage, wherever feasible, the inclusion of the assisted projects in community action programs, with a view to minimizing possible duplication and promoting efficiencies in the use of common facilities and services, better assisting persons or families having a variety of needs, and otherwise securing from the funds committed the greatest possible impact in promoting family and individual self-sufficiency. Programs under this section shall include those described in the following paragraphs:

(1) A program to be known as "Project Headstart" focused upon children who have not reached the age of compulsory school attendance which (A) will provide such comprehensive health, nutritional, education, social, and other services as the Director finds will aid the children to attain their full potential, and (B) will provide for direct participation of the parents of such children in the development, conduct, and overall program direction at the local level.

(2) A program to be known as "Follow Through" focused primarily upon children in kindergarten or elementary school who were previously enrolled in Headstart or similar programs and designed to provide comprehensive services and parent participation activities as described in paragraph (1), which the Director

finds will aid in the continued development of children to their full potential. Funds for such program shall be transferred directly from the Director to the Secretary of Health, Education, and Welfare. Financial assistance for such projects shall be provided by the Secretary on the basis of agreements reached with the Director directly to local educational agencies except as otherwise provided by such agreements.

(3) A "Legal Services" program to further the cause of justice among persons living in poverty by mobilizing the assistance of lawyers and legal institutions and by providing legal advice, legal representation, counseling, education, and other appropriate services. Projects involving legal advice and representation shall be carried on in a way that assures maintenance of a lawyer-client relationship consistent with the best standards of the legal profession. The Director shall make arrangements under which the State bar association and the principal local bar associations in the community to be served by any proposed project authorized by this paragraph shall be consulted and afforded an adequate opportunity to submit, to the Director, comments and recommendations on the proposed project before such project is approved or funded, and to submit, to the Director, comments and recommendations on the operations of such project, if approved and funded. No funds or personnel made available for such program (whether conducted pursuant to this section or any other section in this part) shall be utilized for the defense of any person indicted (or proceeded against by information) for the commission of a crime except in extraordinary circumstances where, after consultation with the court having jurisdiction, the Director has determined that adequate legal assistance will not be available for an indigent defendant unless such services are made available.

(4) A "Comprehensive Health Services" program which shall include—

(A) programs to aid in developing and carrying out comprehensive health services projects focused upon the needs of urban and rural areas having high concentrations or proportions of poverty and marked inadequacy of health services for the poor. These projects shall be designed—

(i) to make possible, with maximum feasible use of existing agencies and resources, the provision of comprehensive health services, such as preventive medical, diagnostic, treatment, rehabilitation, family planning, narcotic addiction and alcoholism prevention and rehabilitation, mental health, dental, and followup services, together with necessary related facilities and services, except in rural areas where the lack of even elemental health services and personnel may require simpler, less comprehensive services to be established first; and

(ii) to assure that these services are made readily accessible to low-income residents of such areas, are furnished in a manner most responsive to their needs and with their participation and wherever possible are combined with, or included within, arrangements for providing employment, education, social, or other assistance

needed by the families and individuals served: *Provided, however,* That such services may be made available on an emergency basis or pending a determination of eligibility to all residents of such areas.

Funds for financial assistance under this paragraph shall be allotted according to need, and capacity of applicants to make rapid and effective use of that assistance, and may be used, as necessary, to pay the full costs of projects. Before approving any project, the Director shall solicit and consider the comments and recommendations of the local medical associations in the area and shall consult with appropriate Federal, State, and local health agencies and take such steps as may be required to assure that the program will be carried on under competent professional supervision and that existing agencies providing related services are furnished all assistance needed to permit them to plan for participation in the program and for the necessary continuation of those related services; and

(B) Programs to provide financial assistance to public or private agencies for projects designed to develop knowledge or enhance skills in the field of health services for the poor. Such projects shall encourage both prospective and practicing health professionals to direct their talents and energies toward providing health services for the poor. In carrying out the provisions of this paragraph, the Director is authorized to provide or arrange for training and study in the field of health services for the poor. Pursuant to regulations prescribed by him, the Director may arrange for the payment of stipends and allowances (including travel and subsistence expenses) for persons undergoing such training and study and for their dependents. The Director and the Secretary of Health, Education, and Welfare shall achieve effective coordination of programs and projects authorized under this section with other related activities.

(5) A program to be known as "Upward Bound" designed to generate skills and motivation necessary for success in education beyond high school among young people from low-income backgrounds and inadequate secondary school preparation. Projects must include arrangements to assure cooperation among one or more institutions of higher education and one or more secondary schools. They must include a curriculum designed to develop creative thinking, effective expression and attitudes toward learning needed for post-secondary educational success, necessary health services and such recreational and cultural and group activities as the Director determines may be appropriate. Financial assistance for such projects may be provided directly to institutions of higher learning, but the projects shall be closely coordinated with activities of community action agencies and activities carried on under the Higher Education Act of 1965.

(6) A program to be known as "Emergency Food and Medical Services" designed to provide on a temporary emergency basis such basic foodstuffs and medical services as may be necessary to counteract conditions of starvation or malnutrition among the poor. The Director shall arrange to carry out his functions through

the Secretary of Agriculture and the Secretary of Health, Education, and Welfare in a manner that will insure the availability of such foodstuffs and services through a community action agency where feasible, or other agencies or organizations if no such agency exists or is able to administer such foodstuffs and services to needy individuals. Each community action agency shall be encouraged to develop projects, such as the furnishing of information on nutrition, which will assist the poor to maintain an adequate and nutritious diet. Of the sums appropriated or allocated for programs authorized under this title, the Director shall reserve and make available not less than \$25,000,000 for the fiscal year ending June 30, 1968, and not less than \$50,000,000 for the fiscal year ending June 30, 1969, for the purpose of carrying out this paragraph.

(7) A "Family Planning" program to provide assistance and services to low-income persons in the field of voluntary family planning, including the provision of information, medical assistance, and supplies. The Director and the Secretary of Health, Education, and Welfare shall coordinate, and assure a full exchange of information concerning, family planning projects within their respective jurisdictions in order to assure the maximum availability of services and in order best to meet the varying needs of different communities. The Secretary of Health, Education, and Welfare shall make the services of Public Health Service officers available to the Director in carrying out this program.

(8) A program to be known as "Senior Opportunities and Services" designed to identify and meet the needs of older, poor persons above the age of 60 in one or more of the following areas: development and provision of new employment and volunteer services; effective referral to existing health, welfare, employment, housing, legal, consumer, transportation, education, and recreational and other services; stimulation and creation of additional services and programs to remedy gaps and deficiencies in presently existing services and programs; modification of existing procedures, eligibility requirements and program structures to facilitate the greater use of, and participation in, public services by the older poor; development of all-season recreation and service centers controlled by older persons themselves; and such other activities and services as the Director may determine are necessary or specially appropriate to meet the needs of the older poor and to assure them greater self-sufficiency. In administering this program the Director shall utilize to the maximum extent feasible the services of the Administration of Aging in accordance with agreements with the Secretary of Health, Education, and Welfare.

(b) Consistent with, and subject to, the provisions of sections 230 and 232 (a), (b), and (c), programs under this section may include related training, research, and technical assistance, and funds allocated for this purpose may be allotted and used in the manner otherwise provided under this title with respect to training, research, and technical assistance activities.

Resident Employment

Sec. 223. In the conduct of all component programs under this part, residents of the area and members of the groups served shall be provided maximum employment opportunity, including opportunity for further occupational training and career advancement. The Director shall encourage the employment of persons fifty-five years and older as regular, part-time and short-term staff in component programs.

Neighborhood Centers

Sec. 224. The Director shall encourage the development of neighborhood centers, designed to promote the effectiveness of needed services in such fields as health, education, manpower, consumer protection, child and economic development, housing, legal, recreation, and social services, and so organized (through a corporate or other appropriate framework) as to promote maximum participation of neighborhood residents in center planning, policymaking, administration, and operation. In addition to providing such services as may not otherwise be conveniently or readily available, such centers shall be responsive to such neighborhood needs, such as counseling, referral, follow-through, and community development activities, as may be necessary or appropriate to best assure a system under which existing programs are extended to the most disadvantaged, are linked to one another, are responsive and relevant to the range of community, family, and individual problems and are fully adapted to neighborhood needs and conditions.

Allotment of Funds; Limitations on Assistance

Sec. 225. (a) Of the sums which are appropriated or allocated for assistance in the development and implementation of community action programs pursuant to section 221, and for special program projects referred to in section 222(a), and which are not subject to any other provision governing allotment or distribution, the Director shall allot not more than 2 per centum among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, according to their respective needs. He shall also reserve not more than 20 per centum of those sums for allotment in accordance with such criteria and procedures as he may prescribe. The remainder shall be allotted among the States, in accordance with the latest available data, so that equal proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, (2) the average number of unemployed persons in each State as compared to all States, and (3) the relative number of related children living with families with incomes of less than \$1,000 in each State as compared to all States. That part of any State's allotment which the Director determines will not be needed may be reallocated, at such dates during the fiscal year as the Director may fix, in proportion to the original allotments, but with appropriate adjustments to assure that any amount so made available to any State in excess of its needs is similarly reallocated among the other States.

(b) The Director may provide for the separate allotment of funds for any special program referred to in section 222(a). This allotment

may be made in accordance with the criteria prescribed in subsection (a), or it may be made in accordance with other criteria which he determines will assure an equitable distribution of funds reflecting the relative incidence in each State of the needs or problems at which the program is directed, except that in no event may more than 12½ per centum of the funds for any one program be used in any one State.

(c) Unless otherwise provided in this part, financial assistance extended to a community action agency or other agency pursuant to sections 221 and 222(a), for the period ending June 30, 1967, shall not exceed 90 per centum of the approved cost of the assisted programs or activities, and thereafter shall not exceed 80 per centum of such costs. The Director may, however, approve assistance in excess of such percentages if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this title. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services. If in any fiscal year, a community provides non-Federal contributions under this title exceeding its requirements under this section, such excess may be used to meet its requirements for such contributions under section 131.

(d) No program shall be approved for assistance under sections 221 and 222(a) unless the Director satisfies himself (1) that the services to be provided under such program will be in addition to, and not in substitution for, services previously provided without Federal assistance, and (2) that funds or other resources devoted to programs designed to meet the needs of the poor within the community will not be diminished in order to provide any contributions required under subsection (c). The requirement imposed by the preceding sentence shall be subject to such regulations as the Director may adopt and promulgate establishing objective criteria for determinations covering situations where a strict application of that requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes sought to be achieved.

PART C—SUPPLEMENTARY PROGRAMS AND ACTIVITIES

Technical Assistance and Training

Sec. 230. The Director may provide, directly or through grants or other arrangements, (1) technical assistance to communities in developing, conducting, and administering programs under this title, and (2) training for specialized or other personnel which is needed in connection with those programs or which otherwise pertains to the purposes of this title. Upon request of an agency receiving financial assistance under this title, the Director may make special assignments of personnel to the agency to assist and advise it in the performance of functions related to the assisted activity; but no such special assignment shall be for a period of more than two years in the case of any agency.

State Agency Assistance

Sec. 231. (a) The Director may provide financial assistance to State agencies designated in accordance with State law, to enable those agencies—

(1) to provide technical assistance to communities and local agencies in developing and carrying out programs under this title;

(2) to assist in coordinating State activities related to this title;

(3) to advise and assist the Director in developing procedures and programs to promote the participation of States and State agencies in programs under this title; and

(4) to advise and assist the Director, the Economic Opportunity Council established by section 631 of the Act, and the heads of other Federal agencies, in identifying problems posed by Federal statutory or administrative requirements that operate to impede State level coordination of programs related to this title, and in developing methods or recommendations for overcoming those problems.

(b) In any grants or contracts with State agencies, the Director shall give preference to programs or activities which are administered or coordinated by the agencies designated pursuant to subsection (a), or which have been developed and will be carried on with the assistance of those agencies.

(c) In order to promote coordination in the use of funds under this Act and funds provided or granted by State agencies, the Director may enter into agreements with States or State agencies pursuant to which they will act as agents of the United States for purposes of providing financial assistance to community action agencies or other local agencies in connection with specific projects or programs involving the common or joint use of State funds and funds under this title.

Research and Pilot Programs

Sec. 232. (a) The Director may contract or provide financial assistance for pilot or demonstration projects conducted by public or private agencies which are designed to test or assist in the development of new approaches or methods that will aid in overcoming special problems or otherwise in furthering the purposes of this title. He may also contract or provide financial assistance for research pertaining to the purposes of this title.

(b) The Director shall establish an overall plan to govern the approval of pilot or demonstration projects and the use of all research authority under this title. The plan shall set forth specific objectives to be achieved and priorities among such objectives. In formulating the plan, the Director shall consult with other Federal agencies for the purpose of minimizing duplication among similar activities or projects and determining whether the findings resulting from any research or pilot projects may be incorporated into one or more programs for which those agencies are responsible. As part of the annual report required by section 608, or in a separate annual report, the Director shall submit a description for each fiscal year of the current plan required by this section, of activities subject to the plan, and of the findings derived from those activities, together with a statement indicating the time and, to the extent feasible, the manner in which the benefits of those activities and findings are expected to be realized.

(c) Not more than 15 per centum of the sums appropriated or allocated in any fiscal year for this title shall be used for the purposes

of this section. One-third of the sums so appropriated or allocated shall be available only for projects authorized under subsection (f) of this section.

(d) No pilot or demonstration project under this section shall be commenced in any city, county, or other major political subdivision, unless a plan setting forth such proposed pilot or demonstration project has been submitted to the appropriate community action agency, or, if there is no such agency, to the local governing officials of the political subdivision, and such plan has not been disapproved by the community action agency or governing body, as the case may be, within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and found by him to be fully consistent with the provisions and in furtherance of the purposes of this title.

(e) The Director shall develop and carry out pilot projects which (1) aid elderly persons to achieve greater self-sufficiency, (2) focus upon the problems of rural poverty, (3) are designed to develop new techniques and community-based efforts to prevent narcotics addiction or to rehabilitate narcotic addicts, or (4) are designed to encourage the participation of private organizations, other than nonprofit organizations, in programs under this title.

(f) The Director shall conduct, either directly or through grants or other arrangements, research and pilot projects designed to assure a more effective use of human and natural resources of rural America and to slow the migration from rural areas due to lack of economic opportunity, thereby reducing population pressures in urban centers. Such projects may be operated jointly or in cooperation with other federally assisted programs, particularly programs authorized under the Public Works and Economic Development Act of 1965, in the area to be served by the project.

Evaluation

Sec. 233. (a) The Director shall provide for the continuing evaluation of programs under this title, including their effectiveness in achieving stated goals, their impact on related programs, and their structure and mechanisms for the delivery of services and including, where appropriate, comparisons with proper control groups composed of persons who have not participated in such programs. He may, for this purpose, contract for independent evaluations of those programs or individual projects. He may require community action agencies to provide for independent evaluations, and where appropriate, he may also require a community action agency to establish an independent group or committee to provide evaluation and advisory services on either a short-term or continuing basis. He shall consult with other Federal agencies, or where appropriate with State agencies, in order to provide wherever feasible for jointly sponsored objective evaluation studies on a National or State basis. He shall also arrange for obtaining the opinions of participants about the strengths and weaknesses of the programs. The reports of studies undertaken under this section, together with the comments of the Director and other agencies, if any, shall be public records, and the results shall be summarized in the report required by section 608.

(b) The Director shall develop and publish standards for evaluation of program effectiveness in achieving the objectives of this title. Such standards shall be considered in deciding whether to renew or supplement financial assistance provided by sections 221, 222, 230, and 231.

(c) The Director shall provide by contract for the conduct of an independent study and evaluation of the action taken under sections 210 and 211 of this Act and the effects thereof, with particular reference to (1) the exercise of their authorities under the provisions of title II of this Act by States and political subdivisions, (2) the participation of residents of the areas and members of the groups served, public officials and others and (3) the administrative and program advantages and disadvantages, if any, encountered or foreseen in implementing such sections. He shall transmit such study and evaluation to the Congress before April 1, 1969.

PART D—GENERAL AND TECHNICAL PROVISIONS

Assistant Directors for Community Action

Sec. 240. The Director shall appoint two assistant directors for the purpose of assisting the Director in the administration of the provisions of this title. One such assistant director, to be known as the Assistant Director for Community Action in Rural Areas, shall be responsible for assuring that funds allotted for assistance to programs or projects designed to assist the rural poor are so expended. The other assistant director, to be known as the Assistant Director for Community Action in Urban Areas, shall be responsible for assuring that funds allotted for assistance to programs or projects designed to assist the urban poor are so expended. Each assistant director shall have such additional responsibilities consistent with the foregoing responsibilities as the Director may hereafter assign.

Rural Areas

Sec. 241. (a) In exercising authority under this title, the Director shall take necessary steps to further the extension of benefits to residents of rural areas, consistent with the extent and severity of poverty among rural residents, and to encourage high levels of managerial and technical competence in programs undertaken in rural areas. These steps shall include, to the maximum extent practicable, (1) the development under section 222(a) of programs particularly responsive to special needs of rural areas; (2) the establishment, pursuant to section 232, of a program of research and pilot project activities specifically focused upon the problems of rural poverty; (3) the provision of technical assistance so as to afford a priority to agencies in rural communities and to aid those agencies, through such arrangements as may be appropriate, in securing assistance under Federal programs which are related to this title but which are not generally utilized in rural areas; and (4) the development of special or simplified procedures, forms, guidelines, model components, and model programs for use in rural areas.

(b) The Director shall establish criteria designed to achieve an equitable distribution of assistance under this title within the States between urban and rural areas. In developing such criteria, he shall consider the relative number in the States or areas therein of: (1) low-income families, particularly those with children; (2) unemployed persons; (3) persons receiving cash or other assistance on a needs basis from public agencies or private organizations; (4) school drop-outs; (5) adults with less than an eighth-grade education; (6) persons rejected for military service; and (7) poor persons living in urban places compared to the number living in rural places as determined by the latest reports of the Bureau of the Census.

(c) Notwithstanding any other provision of this title, the Director is authorized to provide financial assistance in rural areas to public or private nonprofit agencies for any project for which assistance to community action agencies is authorized, if he determines that it is not feasible to establish a community action agency within a reasonable period of time. The assistance so granted shall be subject to such conditions as the Director deems appropriate to promote adherence to the purposes of this title and the early establishment of a community action agency in the area.

(d) The Director shall encourage the development of programs for the interchange of personnel, for the undertaking of common or related projects, and other methods of cooperation between urban and rural communities, with particular emphasis on fostering cooperation in situations where it may contribute to new employment opportunities, and between larger urban communities with concentrations of low-income persons and families and rural areas in which substantial numbers of those persons and families have recently resided.

Submission of Plans to Governors

Sec. 242. In carrying out the provisions of this title, no contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and found by him to be fully consistent with the provisions and in furtherance of the purposes of this title. This section shall not, however, apply to contracts, agreements, grants, loans, or other assistance to any institution of higher education in existence on the date of the approval of this Act.

Fiscal Responsibility and Audit

Sec. 243. (a) No funds shall be released to any agency receiving financial assistance under this title until it has submitted to the Director a statement certifying that the assisted agency and its delegate agencies (or subcontractors for performance of any major portion of the assisted program) have established an accounting system with internal controls adequate to safeguard their assets, check the accuracy and reliability of the accounting data, promote operating efficiency and

encourage compliance with prescribed management policies and such additional fiscal responsibility and accounting requirements as the Director may establish. The statement may be furnished by a certified public accountant, a duly licensed public accountant or, in the case of a public agency, the appropriate public financial officer who accepts responsibility for providing required financial services to that agency.

(b) Within three months after the effective date of a grant to or contract of assistance with an organization or agency, the Director shall make or cause to be made a preliminary audit survey to review and evaluate the adequacy of the accounting system and internal controls established thereunder to meet the standards set forth in the statement referred to in subsection (a). Promptly after the completion of the survey, the Director shall determine on the basis of findings and conclusions resulting from the survey whether the accounting systems and internal controls meet those standards and, if not, whether to suspend the grant or contract. In the event of suspension, the assisted agency shall be given not more than six months within which to establish the necessary systems and controls, and, in the event of failure to do so within such time period, the assistance shall be terminated by the Director.

(c) At least once annually the Director shall make or cause to be made an audit of each grant or contract of assistance under this title. Promptly after the completion of such audit, he shall determine on the basis of resulting findings and conclusions whether any of the costs of expenditures incurred shall be disallowed. In the event of disallowance, the Director may seek recovery of the sums involved by appropriate means, including court action or a commensurate increase in the required non-Federal share of the costs of any grant or contract with the same agency or organization which is then in effect or which is entered into within twelve months after the date of disallowance.

(d) The Director shall establish such other requirements and take such actions as he may deem necessary and appropriate to carry out the provisions of this section and to insure fiscal responsibility and accountability, and the effective and efficient handling of funds in connection with programs assisted under this title. These requirements and actions shall include (1) necessary action to assure that the rate of expenditure of any agency receiving financial assistance does not exceed the rate contemplated under its approved program; and (2) appropriate requirements to promote the continuity and coordination of all projects or components of programs receiving financial assistance under this title, including provision for the periodic reprogramming and supplementation of assistance previously provided.

Special Limitations

Sec. 244. The following special limitations shall apply, as indicated, to programs under this title.

(1) Financial assistance under this title may include funds to provide a reasonable allowance for attendance at meetings of any community action agency governing board, neighborhood council or committee, as appropriate to assure and encourage the maximum feasible participation of members of groups and residents

or areas served in accordance with the purposes of this title, and to provide reimbursement of actual expenses connected with those meetings; but those funds (or matching non-Federal funds) may not be used to pay allowances in the case of any individual who is a Federal, State, or local government employee, or an employee of a community action agency, or for payment of an allowance to any individual for attendance at more than two meetings a month.

(2) The Director shall issue necessary rules or regulations to assure that no employee engaged in carrying out community action program activities receiving financial assistance under this title is compensated from funds so provided at a rate in excess of \$15,000 per annum, and that any amount paid to such an employee at a rate in excess of \$15,000 per annum shall not be considered in determining whether the non-Federal contributions requirements of section 225(c) have been complied with; the Director may, however, provide in those rules or regulations for exceptions covering cases (particularly in large metropolitan areas) where, because of the need for specialized or professional skills or prevailing local salary levels, application of the foregoing restriction would greatly impair program effectiveness or otherwise be inconsistent with the purposes sought to be achieved.

(3) No officer or employee of the Office of Economic Opportunity shall serve as member of a board, council, or committee of any agency serving as grantee, contractor, or delegate agency in connection with a program receiving financial assistance under this title; but this shall not prohibit an officer or employee from serving on a board, council, or committee which does not have any authority or powers in connection with a program assisted under this title.

(4) In granting financial assistance for projects or activities in the field of family planning, the Director shall assure that family planning services, including the dissemination of family planning information and medical assistance and supplies, are made available to all low-income individuals who meet the criteria for eligibility for assistance under this title which have been established by the assisted agency and who desire such information, assistance, or supplies. The Director shall require, in connection with any such financial assistance, that—

(A) no individual will be provided with any information, medical supervision, or supplies which that individual indicates are inconsistent with his or her moral, philosophical, or religious beliefs; and

(B) no individual will be provided with any medical supervision or supplies unless he or she has voluntarily requested such medical supervision or supplies.

The use of family planning services assisted under this title shall not be a prerequisite to the receipt of services from or participation in any other programs under this Act.

(5) No financial assistance shall be extended under this title to provide general aid to elementary or secondary education in any school or school system; but this shall not prohibit the provision of special, remedial, and other noncurricular educational assistance.

(6) In extending assistance under this title the Director shall give special consideration to programs which make maximum use of existing schools, community centers, settlement houses, and other facilities during times they are not in use for their primary purpose.

(7) No financial assistance shall be extended under this title in any case in which the Director determines that the costs of developing and administering all of the programs assisted under this title carried on by or under the supervision of any community action agency exceed 15 per centum of the total costs, including non-Federal contributions to such costs, of such programs. The Director, after consultation with the Director of the Bureau of the Budget, shall establish by regulation, criteria for determining (i) the cost of developing and administering such programs, and (ii) the total costs of such programs. In any case in which the Director determines that the cost of administering such programs does not exceed 15 per centum of such total costs but is, in his judgment, excessive, he shall forthwith require such community action agency to take such steps prescribed by him as will eliminate such excessive administrative cost, including the sharing by one or more such community action agencies of a common director and other administrative personnel. The Director may waive the limitation prescribed by this paragraph for specific periods of time not to exceed six months whenever he determines that such a waiver is necessary in order to carry out the purposes of this title.

Duration of Program

Sec. 245. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the three succeeding fiscal years. For each such fiscal year only such sums may be appropriated as the Congress may authorize by law.

TITLE III—SPECIAL PROGRAMS TO COMBAT POVERTY IN RURAL AREAS

PART A—RURAL LOAN PROGRAM ¹¹

Statement of Purpose

Sec. 301. It is the purpose of this part to meet some of the special needs of low-income rural families by establishing a program of loans to assist in raising and maintaining their income and living standards.

Loans to Families ¹²

Sec. 302. (a) The Director is authorized to make loans having a maximum maturity of 15 years and in amounts not resulting in an aggregate principal indebtedness of more than \$3,500 at any one time ¹³ to any low income rural family where, in the judgment of the

¹¹ P.L. 90-222, sec. 105(a), inserted this heading.

¹² P.L. 90-222, sec. 105(a), inserted this heading in lieu of "Part A—Authority to Make Loans".

¹³ P.L. 89-794, sec. 301(a), substituted "resulting in an aggregate indebtedness of more than \$3,500 at any one time" in lieu of "exceeding \$2,500 in the aggregate". P.L. 90-222, sec. 105(c) inserted the word "principal."

Director, such loans have a reasonable possibility of effecting a permanent increase in the income of such families, and, in the case of the elderly, will contribute to the improvement of their living or housing conditions ¹⁴ by assisting or permitting them to—

(A) acquire or improve real estate or reduce encumbrances or erect improvements thereon.

(B) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

(C) participate in cooperative associations; and /or to finance nonagricultural enterprises which will enable such families to supplement their income.

(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

Cooperative Associations

Sec. 303. The Director is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

Limitations on Assistance

Sec. 304. No financial or other assistance shall be provided under this part unless the Director determines that—

(a) the providing of such assistance will materially further the purposes of this part, and

(b) in the case of assistance provided pursuant to section 303, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

Loan Terms and Conditions

Sec. 305. Loans pursuant to sections 302 and 303 shall have such terms and conditions as the Director shall determine, subject to the following limitations:

(a) there is reasonable assurance of repayment of the loan;

(b) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Director may determine to be consistent with its purposes;

¹⁴ P.L. 90-222, sec. 105(c), inserted the words: “, and, in the case of the elderly, will contribute to the improvement of their living or housing conditions”.

(e) with respect to loans made pursuant to section 303, the loan is repayable within not more than thirty years; and

(f) no financial or other assistance shall be provided under this part to or in connection with any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes: *Provided*, That (1) packing, canning, cooking, freezing, or other processing used in preparing or marketing edible farm products, including dairy products, shall not be regarded as manufacturing merely by reason of the fact that it results in the creation of a new or different substance and (2) a cooperative organization formed by and consisting of members of an Indian tribe (including any tribe with whom the special Federal relationship with Indians has been terminated) engaged in the production of agricultural commodities, or in manufacturing products, on an Indian reservation (or former reservation in the case of tribes with whom the special Federal relationship with Indians has been terminated) shall not be regarded as a cooperative organization within the purview of this clause.¹⁵

Revolving Fund

Sec. 306.¹⁶ (a) To carry out the lending and guaranty functions authorized under this part¹⁷ there is authorized to be established a revolving fund. The capital of the fund shall consist of such amounts as may be advanced to it by the Director from funds appropriated pursuant to section 321 and shall remain available until expended.

(b) The Director shall pay into miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the capital of the fund at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity during the last month of the preceding fiscal year. Interest payments may be deferred with the approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest.

(c) Whenever any capital in the fund is determined by the Director to be in excess of current needs, such capital shall be credited to the appropriation from which advanced, where it shall be held for future advances.

(d) Receipts from any lending and guaranty operations under this Act (except operations under title IV carried on by the Small Business Administration) shall be credited to the fund. The fund shall be available for the payment of all expenditures of the Director for loans, participations, and guaranties authorized under this part.¹⁸

¹⁵ P.L. 89-794, sec. 301(b), added the second part of the proviso.

¹⁶ P.L. 90-222, sec. 105(d), transferred section 606 from title VI to the end of part A of title III and redesignated it as section 306.

¹⁷ P.L. 89-794, sec. 407, deleted "and IV" from subsections (a) and (d). P.L. 90-222, sec. 105(d), inserted "this part" in lieu of "titles III of this Act" in subsections (a) and (d).

¹⁸ See footnote 17, above.

**PART B—ASSISTANCE FOR MIGRANT, AND OTHER SEASONALLY
EMPLOYED, FARMWORKERS AND THEIR FAMILIES**¹⁹

Statement of Purpose

Sec. 311. The purpose of this part is to assist migrant and seasonal farmworkers and their families to improve their living conditions and develop skills necessary for a productive and self-sufficient life in an increasingly complex and technological society.

Financial Assistance

Sec. 312. (a) The Director may provide financial assistance to assist State and local agencies, private nonprofit institutions and cooperatives in developing and carrying out programs to fulfill the purpose of this part.

(b) Programs assisted under this part may include projects or activities—

(1) to meet the immediate needs of migrant and seasonal farmworkers and their families, such as day care for children, education, health services, improved housing and sanitation (including the provision and maintenance of emergency and temporary housing and sanitation facilities), legal advice and representation, and consumer training and counseling;

(2) to promote increased community acceptance of migrant and seasonal farmworkers and their families; and

(3) to equip unskilled migrant and seasonal farmworkers and members of their families as appropriate through education and training to meet the changing demands in agricultural employment brought about by technological advancement and to take advantage of opportunities available to improve their well-being and self-sufficiency by gaining regular or permanent employment or by participating in available Government training programs.

Limitations on Assistance

Sec. 313. (a) Assistant shall not be extended under this part unless the Director determines that the applicant will maintain its prior level of efforts in similar activities.

(b) The Director shall establish necessary procedures or requirements to assure that programs under this part are carried on in coordination with other programs or activities providing assistance to the persons and groups served.

Technical Assistance, Training, and Evaluation

Sec. 314. (a) The Director may provide directly or through grants, contracts, or other arrangements, such technical assistance or training of personnel as may be required to implement effectively the purposes of this title.

(b) The Director shall provide for necessary evaluation of projects under this title and may, through grants or contracts, secure independent evaluation for this purpose. The results of such evaluation

¹⁹ P.L. 90-222, sec. 105(e), amended Part B of title III in its entirety.

shall be published and shall be summarized in the report required by section 608.

PART C—DURATION OF PROGRAM ²⁰

Sec. 321. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the three succeeding fiscal years. For each fiscal year only such sums may be appropriated as the Congress may authorize by law.

PART D—INDEMNITY PAYMENTS TO DAIRY FARMERS

Sec. 331. (a) The Secretary of Agriculture is authorized to make indemnity payments, at a fair market value, to dairy farmers who have been directed since January 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government at the time of such use. Such indemnity payments shall continue to each dairy farmer until he has been reinstated and is again allowed to dispose of his milk on commercial markets.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

(c) The authority granted under this section shall expire on June 30, 1967.²¹

TITLE IV—EMPLOYMENT AND INVESTMENT INCENTIVES

Statement of Purpose

Sec. 401. It is the purpose of this title to assist in the establishment, preservation, and strengthening of small business concerns and improve the managerial skills employed in such enterprises, with special attention to small business concerns (1) located in urban or rural areas with high proportions of unemployed or low-income individuals, or (2) owned by low-income individuals²²; and to mobilize for these objectives private as well as public managerial skills and resources.

Loans, Participations, and Guaranties

Sec. 402. (a) The Administrator of the Small Business Administration²³ is authorized to make, participate (on an immediate basis) in,

²⁰ P.L. 89-794, sec. 302, amended Part C in its entirety. Prior to such amendment, Part C read:

"PART C—AUTHORIZATION OF APPROPRIATIONS

"Sec. 321. The Director shall carry out the program provided for in this title during the fiscal year ending June 30, 1965, and the three succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$35,000,000 for the fiscal year ending June 30, 1965, and the sum of \$55,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law. Not to exceed \$15,000,000 of the funds appropriated under other titles of this Act for the fiscal year ending June 30, 1965, may also be utilized for the purposes of part B of this title."

²¹ P.L. 89-794, sec. 301(c), substituted "1967" in lieu of "1966".

²² P.L. 89-794, sec. 401, substituted "Administrator of the Small Business Administration" in lieu of "Director".

²³ P.L. 90-222, sec. 106(a), inserted "with special attention to small business concerns (1) located in urban or rural areas with high proportions of unemployed or low-income individuals, or (2) owned by low-income individuals".

or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals: ²⁴ *Provided, however,* That no such loans shall be made, participated in, or guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed \$25,000. The Administrator of the Small Business Administration ²⁵ may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administrator of the Small Business Administration ²⁵ may, in his discretion, as a condition of such financial assistance, require that the borrower take steps to improve his management skills by participating in a management training program approved by the Administrator of the Small Business Administration: ²⁵ *Provided, however,* That any management training program so approved must be of sufficient scope and duration to provide reasonable opportunity for the individuals served to develop entrepreneurial and managerial self-sufficiency. ²⁶ The Administrator of the Small Business Administration ²⁷ shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns, and shall seek to stimulate new private lending activities to such concerns through the use of the loan guaranties, participations in loans, and pooling arrangements authorized by this section. ²⁸

(b) To the extent necessary or appropriate to carry out the programs provided for in this title the Administrator of the Small Business Administration shall have the same powers as are conferred upon the Director by section 602 of this Act. ²⁹ To insure an equitable distribution between urban and rural areas for loans between \$3,500 and \$25,000 made under this title, the Administrator is authorized to use the agencies and agreements and delegations developed under title III of the Act as he shall determine necessary. ³⁰

(c) The Administrator shall provide for the continuing evaluation of programs under this section, including full information on the location, income characteristics, and types of businesses and individuals assisted, and on new private lending activity stimulated, and the results

²⁴ P.L. 90-222, sec. 106(b), inserted "the preservation or establishment of small business concerns located in urban or rural areas with high proportions of unemployed or low-income individuals or owned by low-income individuals" in lieu of "employment of the long-term unemployed".

²⁵ P.L. 89-794, sec. 401, substituted "Administrator of the Small Business Administration" in lieu of "Director".

²⁶ P.L. 90-222, sec. 106(b) (3), inserted the proviso.

²⁷ P.L. 89-794, sec. 401, substituted "Administrator of the Small Business Administration" in lieu of "Director".

²⁸ P.L. 90-222, sec. 106(c), inserted "and shall seek to stimulate new private lending activities to such concerns through the use of the loan guaranties, participations in loans, and pooling arrangements authorized by this section."

²⁹ P.L. 89-794, sec. 405, added section 402(b).

³⁰ P.L. 90-222, sec. 106(c) (3), added this sentence.

of such evaluation together with recommendations shall be included in the report required by section 608.³¹

Sec. 403.³² Loans made pursuant to section 402 (including immediate participation in and guaranties of such loans) shall have such terms and conditions as the Administrator of the Small Business Administration³³ shall determine, subject to the following limitations—

- (a) there is reasonable assurance of repayment of the loan;
- (b) the financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;
- (c) the amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;
- (d) the loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Administrator of the Small Business Administration³³ may determine to be consistent with its purposes: *Provided, however,* That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and
- (e) fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guaranties.

Distribution of Financial Assistance

Sec. 404. The Administrator of the Small Business Administration shall take such steps as may be necessary to insure that, in any fiscal year, at least 50 per centum of the amounts loaned or guaranteed pursuant to this part are allotted to small business concerns located in urban areas identified by the Director, after consideration of any recommendations of the Administrator of the Small Business Administration, as having high concentrations of unemployed or low-income individuals or to small business concerns owned by low-income individuals. The Administrator of the Small Business Administration, after consideration of any recommendations of the Director, shall define the meaning of low income as it applies to owners of small busi-

³¹ P.L. 90-222, sec. 106(c) (4), added section 402(c).

³² P.L. 89-794, sec. 403, repealed sections 403 and 404. P.L. 89-794, sec. 406, renumbered sections 405, 406, and 407 as sections 403, 404, and 405. Prior to repeal, former sections 403 and 404 read:

"Sec. 403. No financial assistance shall be provided under section 402 in any community for which the Director has approved a community action program pursuant to title II of this Act unless such financial assistance is determined by him to be consistent with such program.

"Sec. 404. Such lending and guaranty functions under this title as may be delegated to the Small Business Administration may be financed with funds appropriated to the revolving fund established by section 4(c) of the Small Business Act (15 U.S.C. 633(c)) for the purposes of sections 7(a), 7(b), and 8(a) of that Act (15 U.S.C. 636(a), 636(b), 637(a))."

³³ P.L. 89-794, sec. 401, substituted "Administrator of the Small Business Administration" in lieu of "Director".

ness concerns eligible to be assisted under this part, and such definition need not correspond to the definition of low income as used elsewhere in this Act.

Limitation on Financial Assistance

Sec. 405. No financial assistance shall be extended pursuant to this title where the Administrator of the Small Business Administration determines that the assistance will be used in relocating establishments from one area to another if such relocation would result in an increase in unemployment in the area of original location.

Technical Assistance and Management Training

Sec. 406. (a) The Administrator of the Small Business Administration is authorized to provide financial assistance to public or private organizations to pay all or part of the costs of projects designed to provide technical and management assistance to individuals or enterprises eligible for assistance under section 402, with special attention to small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals.

(b) Financial assistance under this section may be provided for projects, including without limitation—

(1) planning and research, including feasibility studies and market research;

(2) the identification and development of new business opportunities;

(3) the furnishing of centralized services with regard to public services and government programs, including programs authorized under section 402;

(4) the establishment and strengthening of business service agencies, including trade associations and cooperatives;

(5) the encouragement of the placement of subcontracts by major businesses with small business concerns located in urban areas of high concentration of unemployed or low-income individuals or owned by low-income individuals, including the provision of incentives and assistance to such major businesses so that they will aid in the training and upgrading of potential subcontractors or other small business concerns; and

(6) the furnishing of business counseling, management training, and legal and other related services, with special emphasis on the development of management training programs using the resources of the business community, including the development of management training opportunities in existing businesses, and with emphasis in all cases upon providing management training of sufficient scope and duration to develop entrepreneurial and managerial self-sufficiency on the part of the individuals served.

(c) The Administrator of the Small Business Administration shall give preference to projects which promote the ownership, participation in ownership, or management of small business concerns by residents of urban areas of high concentration of unemployed or low-

income individuals, and to projects which are planned and carried out with the participation of local businessmen.

(d) To the extent feasible, services under this section shall be provided in a location which is easily accessible to the individuals and small business concerns served.

(e) The Administrator of the Small Business Administration shall, in carrying out programs under this section, consult with and take into consideration the views of the Secretary of Commerce, with a view to coordinating activities and avoiding duplication of effort.

(f) The President may, if he determines that it is necessary to carry out the purposes of this part, transfer any of the functions under this section to the Secretary of Commerce.

(g) The Administrator of the Small Business Administration shall provide for an independent and continuing evaluation of programs under this section, including full information on and analysis of the character and impact of managerial assistance provided, the location, income characteristics and types of business and individuals assisted, and the extent to which private resources and skills have been involved in these programs. Such evaluation together with any recommendations as he deems advisable shall be included in the report required by section 608.

Government Contracts

Sec. 407. (a) The Administrator of the Small Business Administration shall take such steps as may be necessary and appropriate, in coordination and cooperation with the heads of other Federal departments and agencies, so that contracts, subcontracts, and deposits made by the Federal Government or in connection with programs aided by Federal funds are placed in such a way as to further the purposes of this title.

(b) The Administrator of the Small Business Administration shall provide for the continuing evaluation of programs under this section and the results of such evaluation together with recommendations shall be included in the report required by section 608.

Duration of Program

Sec. 408. The Administrator of the Small Business Administration and the Secretary of Commerce³⁴ shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the three succeeding fiscal years.³⁵

³⁴ P.L. 90-222, sec. 106(d), inserted "and the Secretary of Commerce".

³⁵ P.L. 90-222, sec. 106(d), struck out section 404, renumbered section 405 as section 408, and inserted sections 404, 405, 406, and 407. P.L. 89-794, sec. 404, amended section 405 (formerly section 407) in its entirety. Prior to these amendments, sections 404 and 405 (formerly sections 406 and 407) read:

"Sec. 404. No financial assistance shall be extended pursuant to this title where the Administrator of the Small Business Administration determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors."

"Sec. 405. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the two succeeding fiscal years."

TITLE V—WORK EXPERIENCE, TRAINING, AND DAY CARE PROGRAMS ^{36 37}

PART A—WORK EXPERIENCE AND TRAINING PROGRAMS ³⁸

Statement of Purpose

Sec. 501. It is the purpose of this part ³⁹ to expand the opportunities for constructive work experience and other needed training available to persons (including workers in farm families with less than \$1,200 net family income, unemployed heads of families and other needy persons) who are unable to support themselves or their families.

Transfer of Funds

Sec. 502. In order to permit the carrying out of work experience and training programs meeting the criteria set forth in part E of title II of the Manpower Development and Training Act of 1962, the Director is authorized to transfer funds to the Secretary of Health, Education, and Welfare to enable him (1) to make payments under section 1115 of the Social Security Act for experimental, pilot, or demonstration projects which provide pretraining services and basic maintenance, health, family, basic education, day care, counseling, and similar supportive services required for such programs, and (2) to reimburse the Secretary of Labor for carrying out the activities described in such part E of title II of the Manpower Development and Training Act of 1962. Costs of such projects and activities shall, notwithstanding the provisions of the Social Security Act and the

³⁶ P.L. 89-794, section 501, amended title V in its entirety. Prior to this amendment, such Title read as follows:

“TITLE V—WORK EXPERIENCE PROGRAMS

“Statement of Purpose

“Sec. 501. It is the purpose of this title to expand the opportunities for constructive work experience and other needed training available to persons who are unable to support or care for themselves or their families. In carrying out this purpose, the Director shall make maximum use of the programs available under the Manpower Development and Training Act of 1962, as amended, and Vocational Education Act of 1963.

“Payments for Experimental, Pilot, and Demonstration Projects

“Sec. 502. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Director is authorized to transfer funds appropriated or allocated to carry out the purposes of this title to the Secretary of Health, Education, and Welfare to enable him to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a) (1) to (6), inclusive, of such Act (42 U.S.C. 609(a) (1)–(6)), in addition to the sums otherwise available pursuant thereto. Workers in farm families with less than \$1,200 net family income shall be considered unemployed for the purposes of this title. The costs of such projects to the United States shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

“Authorization of Appropriations

“Sec. 503. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the three succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of \$150,000,000 for the fiscal year ending June 30, 1965, and the sum of \$150,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law.”

³⁷ P.L. 90-222, sec. 107(b), substituted new heading in lieu of “Work Experience and Training Programs”.

³⁸ P.L. 90-222, sec. 107(c), inserted heading for Part A.

³⁹ P.L. 90-222, sec. 107(d), amended sections 501, 502, 503, 504, and 505 by inserting “this part” in lieu of “this title” wherever it appears therein.

Manpower Development and Training Act of 1962, be met entirely from funds appropriated to carry out this part ⁴⁰: *Provided*, That such funds may not be used to assist families and individuals insofar as they are otherwise receiving or eligible to receive assistance or social services through a State plan approved under titles I, IV, X, XIV, XVI, or XIX of the Social Security Act.

Limitations on Work Experience and Training Programs

Sec. 503. (a) The provisions of paragraphs (1) to (6), inclusive, of section 409 of the Social Security Act, unless otherwise inconsistent with the provisions of this part, ⁴¹ shall be applicable with respect to work experience and training programs assisted with funds under this part. ⁴² The costs of such programs to the United States shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purpose of this part. ⁴³

(b) Work experience and training programs shall be so designed that participation of individuals in such programs will not ordinarily exceed 36 months, except that nothing in this subsection shall prevent the provision of necessary and appropriate follow-up services for a reasonable period after an individual has completed work experience and training.

(c) Not more than 12½ percent of the sums appropriated or allocated for any fiscal year to carry out the purposes of this part ⁴⁴ shall be used within any one state. In the case of any work experience and training program approved on or after July 1, 1968, not more than 80 percent of the costs of projects or activities referred to in section 502 may be paid from funds appropriated or allocated to carry out this part, ⁴⁵ unless the Secretary of Health, Education, and Welfare determines, pursuant to regulations prescribed by him establishing objective criteria for such determinations, that assistance in excess of such percentage is required in furtherance of the purposes of this part. ⁴⁶ Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

Duration of Programs

Sec. 504. The Director shall carry out the programs provided for in this part ⁴⁷ during the fiscal year ending June 30, 1967, and the three succeeding fiscal years. For each such fiscal year only such sums may be appropriated as the Congress may authorize by law.

Transition

Sec. 505. The Secretary of Labor is authorized to provide work experience and training programs authorized by section 261(a) (3) and (4) of part E of title II of the Manpower Development and

⁴⁰ See footnote 39, above.

⁴¹ See footnote 39, above.

⁴² See footnote 39, above.

⁴³ See footnote 39, above.

⁴⁴ See footnote 39, above.

⁴⁵ See footnote 39, above.

⁴⁶ See footnote 39, above.

⁴⁷ See footnote 39, above.

Training Act of 1962, commencing July 1, 1967. The Secretary of Health, Education, and Welfare is authorized to provide such work experience and training programs through June 30, 1967, and may also continue to completion those work experience and training programs commenced prior to that date, but in no event shall such programs be extended beyond June 30, 1968. After June 30, 1967, the Secretary of Health, Education, and Welfare, pursuant to agreement with the Secretary of Labor which shall include provisions for joint evaluation and approval of the training and work experience aspect of each project or program, may also—

(1) with the concurrence of the Secretary of Labor, renew existing projects and programs, or develop and provide new projects or programs, to accomplish the purposes of this part⁴⁸ and of part E of title II of the Manpower Development and Training Act of 1962; and

(2) with the concurrence of the Secretary of Labor, develop and provide other work experience and training programs pursuant to such part E, with respect to such projects or parts of projects which the Secretary of Labor is unable to provide after being given notice and a reasonable opportunity to do so.

Before July 1, 1967, the Secretary of Health, Education, and Welfare may, for the purposes of this part⁴⁹ and part E of title II of the Manpower Development and Training Act of 1962, utilize the services and facilities available under the manpower development and utilization programs administered by the Department of Labor which may include, but not be limited to, testing, counseling, job referral and follow-up services required to assist participants in securing and obtaining employment, training opportunities, either on or off the job, available under the Manpower Development and Training Act of 1962, and relocation assistance to involuntarily unemployed individuals in accordance with the standards prescribed in section 104 of the Manpower Development and Training Act of 1962, and shall compensate the Secretary of Labor for the reasonable costs thereof either by advance or reimbursement.

PART B—DAY CARE PROJECTS⁵⁰

Statement of Purpose

Sec. 521. The purpose of this part is to provide day care for children from families which need such assistance to become or remain self-sufficient or otherwise to obtain objectives related to the purposes of this Act, with particular emphasis upon enabling the parents or relatives of such children to choose to undertake or to continue basic education, vocational training, or gainful employment.

Financial Assistance for Day Care Projects

Sec. 522. (a) The Director is authorized to provide financial assistance to appropriate public agencies and private organizations to pay not to exceed 90 per centum of the cost of planning, conducting, admin-

⁴⁸ See footnote 39, above.

⁴⁹ See footnote 39, above.

⁵⁰ P.L. 90-222, sec. 107(a) added Part B of title V.

istering, and evaluating projects under which children from low-income families or from urban and rural areas with large concentrations or proportions of low-income persons may receive day care. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment and services. Such day care projects shall provide health, education, social, and such other supportive services as may be needed. Financial assistance under this section may be provided to employers, labor unions, or to joint employer-union organizations, for day care projects established at or in association with a place of employment or training where such projects are financed in major part through private funds. Project costs payable under this part may include costs of renovation and alteration of physical facilities. Financial assistance under this section may be provided in conjunction with or to supplement day care projects under the Social Security Act or other relevant statutes.

(b) The Director may require a family which is not a low-income family to make payment, in whole or in part, for the day care services provided under this program where the family's financial condition is, or becomes through employment or otherwise, such as to make such payment appropriate.

(c) The Director may provide, directly or through contracts or other arrangements, technical assistance and training necessary for the initiation or effective operation of programs under this part.

(d) The Director and the Secretary of Health, Education, and Welfare shall take all necessary steps to coordinate programs under their jurisdictions which provide day care, with a view to establishing, insofar as possible, a common set of program standards and regulations, and mechanisms for coordination at the State and local levels. In approving applications for assistance under this part, the Director shall take into consideration (1) the extent to which applicants show evidence of coordination and cooperation between their projects and their day care programs in the areas which they will serve, and (2) the extent to which unemployed or low-income individuals are to be employed, including individuals receiving or eligible to receive assistance under the Social Security Act.

(e) Each project to which payments are made hereunder shall provide for a thorough evaluation. This evaluation shall be conducted by such agency or independent public or private organization as the Director shall designate, with a view to determining, among other things, the extent to which the day care provided may have increased the employment of parents and relatives of the children served, the extent to which such day care may have reduced the costs of aid and services to such children, the extent to which such children have received health and educational benefits, and the extent to which the project has been coordinated with other day care activities in the area served. Up to 100 per centum of the costs of evaluation may be paid by the Director from funds appropriated for the purposes of carrying out this part, except that where such evaluation is carried on by the assisted agency itself, he may pay only 90 per centum of such costs. Such evaluations, together with a report on the program described in this part, shall be included in the report required by section 608.

Duration of Programs

Sec. 523. The Director shall carry out the programs provided for in this part during the fiscal year ending June 30, 1968, and the two succeeding fiscal years.

TITLE VI—ADMINISTRATION AND COORDINATION

PART A—ADMINISTRATION

Office of Economic Opportunity

Sec. 601. (a) There is hereby established in the Executive Office of the President the Office of Economic Opportunity. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and five⁵¹ Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

(b) Notwithstanding the provisions of section 5(b) of the Reorganization Act of 1949 (5 U.S.C. 133z-3(b)), at any time after one year from the date of enactment hereof the President may, by complying with the procedures established by the Act, provide for the transfer of the Office from the Executive Office of the President and for its establishment elsewhere in the executive branch as he deems appropriate.

(c) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

(d) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

(e) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

Authority of Director

Sec. 602. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this Act, to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions, and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.);

(b) (1) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act

⁵¹ P.L. 89-794, sec. 601(a), substituted "four" in lieu of "three". P.L. 90-222, sec. 108(a), inserted "five" in lieu of "four".

of 1946 (5 U.S.C. 55a), except that no individual may be employed under the authority of this subsection for more than 100 days in any fiscal year:⁵² (2) compensate individuals so employed at rates not in excess of \$100 per diem, including traveltime; and (3) allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b-2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees (including the National Advisory Council established in section 605), other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this Act and, as necessary or appropriate, delegate any of his powers under this Act and authorize the redelegation thereof subject to provisions to assure the maximum possible liaison between the Office of Economic Opportunity and such other agencies at all operating levels, which shall include the furnishing of complete operational information by such other agencies to the Office of Economic Opportunity and the furnishing of such information by such Office to such other agencies;⁵³

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United

⁵² P.L. 90-222, sec. 108(b), inserted the designations for clauses (1), (2), and (3) and the words "except that no individual may be employed under the authority of this subsection for more than 100 days in any fiscal year".

⁵³ P.L. 89-794, sec. 602, added at the end of subsection 602(d) "subject to provisions to assure the maximum possible liaison between the Office of Economic Opportunity and such other agencies at all operating levels, which shall include the furnishing of complete operational information by such other agencies to the Office of Economic Opportunity and the furnishing of such information by such Office to such other agencies;".

States Code) expenditure for construction, repairs, and capital improvements;

(i) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

(j) adopt an official seal, which shall be judicially noticed;

(k) notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real or personal property by the United States deal with, complete, rent, renovate, modernize, or sell for cash or credit at his discretion any properties acquired by him in connection with loans, participations, and guaranties made by him pursuant to titles III and IV of this Act;

(l) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

(m) expend funds made available for purposes of this Act—

(1) for printing and binding, in accordance with applicable law and regulation; and

(2) without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this subparagraph (2)—

(A) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and

(B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and⁵⁴

(n) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and

⁵⁴ P.L. 89-794, sec. 603, amended subsection 602(m) in its entirety. Prior to this amendment, subsection 602(m) read:

"(m) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this Act (1) for printing and binding, and (2) for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and".

agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this Act.

Political Activities

Sec. 603.⁵⁵ (a) For purposes of chapter 15 of title 5 of the United States Code any overall community action agency which assumes responsibility for planning, developing, and coordinating community-wide antipoverty programs and receives assistance under this Act shall be deemed to be a State or local agency; and for purposes of clauses (1) and (2) of section 1502(a) of such title any agency receiving assistance under this Act (other than part C of title I) shall be deemed to be a State or local agency.

(b) Programs assisted under this Act shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office, (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election, or (3) any voter registration activity. The Director, after consultation with the Civil Service Commission, shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary sus-

⁵⁵ P.L. 89-794, sec. 604, amended section 603 in its entirety. Prior to this amendment, such section read:

"Sec. 603. (a) The Director is authorized to recruit, select, train, and—

(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in connection with programs or activities authorized, supported, or of a character eligible for assistance under this Act.

"(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

"(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a)(2) such stipend, not to exceed \$50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

"(d)(1) Each volunteer shall take and subscribe to an oath or affirmation in the form prescribed by section 104(d) of this Act, and the provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such oath or affirmation; but, except as provided in paragraph (2) of this subsection, volunteers shall not be deemed to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, and Federal employee benefits.

"(2) All volunteers during training and such volunteers as are assigned pursuant to paragraph (2) of subsection (a) shall be deemed Federal employees to the same extent as enrollees of the Job Corps under section 106 (b), (c), and (d) of this Act, except that for purposes of the computation described in paragraph (2) (B) of section 106 (c) the monthly pay of a volunteer shall be deemed to be that received under the entrance salary for GS-7 under the Classification Act of 1949."

pension of assistance or other action necessary to permit enforcement on an emergency basis.⁵⁶

Appeals, Notice and Hearing

Sec. 604. The Director shall prescribe procedures to assure that—

(1) special notice of and an opportunity for a timely and expeditious appeal to the Director is provided for an agency or organization which would like to serve as a delegate agency under title I-B or II and whose application to the prime sponsor or community action agency has been wholly or substantially rejected or has not been acted upon within a period of time deemed reasonable by the Director;

(2) financial assistance under title I-B, II, and III-B shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations, nor shall an application for refunding under sections 123, 221, 222, or 312 be denied, unless the recipient agency has been given reasonable notice and opportunity to show cause why such action should not be taken; and

(3) financial assistance under titles I-B, II, and III-B shall not be terminated for failure to comply with applicable terms and conditions unless the recipient agency has been afforded reasonable notice and opportunity for a full and fair hearing.⁵⁷

National Advisory Council on Economic Opportunity⁵⁸

Sec. 605. (a) There is hereby established in the Office a National Advisory Council on Economic Opportunity (hereinafter referred to as the Advisory Council), to be composed of twenty-one members appointed, for staggered terms and without regard to the civil service laws, by the President. Such members shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. The President shall designate the chairman

⁵⁶ P.L. 90-222, sec. 108(c), amended section 603(b) in its entirety. Prior to this amendment, section 603(b) read:

"(b) The Director, after consultation with the Civil Service Commission, is authorized to issue such regulations or impose such requirements as may be necessary or appropriate to supplement the provisions of subsection (a) of this section or otherwise to insure that programs assisted under this Act are not carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel in a manner supporting, or resulting in the identification of such program with, any partisan political activity or any activity designed to further the election or defeat of any candidate for public office."

⁵⁷ P.L. 90-222, sec. 108(d), amended section 604 in its entirety. Prior to this amendment, section 604 read:

"Sec. 604. (a) There is hereby established an Economic Opportunity Council, which shall consult with and advise the Director in carrying out his functions, including the coordination of antipoverty efforts by all segments of the Federal Government.

"(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretaries of the Interior, Agriculture, Commerce, Labor, and Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and such other agency heads as the President may designate or delegates thereof."

⁵⁸ P.L. 89-794, sec. 605, amended section 605 in its entirety. Prior to this amendment, such section read:

"Sec. 605. There is hereby established in the Office a National Advisory Council. The Council shall be composed of the Director, who shall be Chairman, and not more than twenty additional members appointed by the President, without regard to the civil service laws, who shall be representative of the public in general and appropriate fields of endeavor related to the purposes of this Act. Upon the request of the Director, the Council shall review the operations and activities of the Office, and shall make such recommendations with respect thereto as are appropriate. The Council shall meet at least once each year and at such other times as the Director may request."

from among such members. The Advisory Council shall meet at the call of the chairman but not less often than four times a year. The Director shall be an ex officio member of the Advisory Council.

(b) The Advisory Council shall—

(1) advise the Director with respect to policy matters arising in the administration of this Act; and

(2) review the effectiveness and the operation of programs under this Act and make recommendations concerning (A) the improvement of such programs, (B) the elimination of duplication of effort, and (C) the coordination of such programs with other Federal programs designed to assist low income individuals and families.

Such recommendations shall include such proposals for changes in this Act as the Advisory Council deems appropriate.

(c) The Advisory Council shall make an annual report of its findings and recommendations to the President not later than March 31 of each calendar year beginning with the calendar year 1967. The President shall transmit each such report to the Congress together with his comments and recommendations.

Announcement of Research or Demonstration Contracts

Sec. 606. (a) The Director or the head of any other Federal agency administering a program under this Act shall make a public announcement concerning:

(1) The title, purpose, intended completion date, identity of the contractor, and proposed cost of any contract with a private or non-Federal public agency or organization for any demonstration or research project; and

(2) The results, findings, data, or recommendations made or reported as a result of such activities.

(b) The public announcements required by subsection (a) shall be made within thirty days of entering into such contracts and thereafter within thirty days of the receipt of such results.

(c) It shall be the duty of the Comptroller General to assure that the requirements of this section are met, and he shall at once report to the Congress concerning any failure to comply with these requirements.⁵⁹

Labor Standards

Sec. 607. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z-15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

⁵⁹ P.L. 90-222, sec. 108(e), inserted section 606.

Reports

Sec. 608. Not later than one hundred and twenty days after the close of each fiscal year, the Director shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities of the Office during such year.

Definitions

Sec. 609. As used in this Act—

(1) the term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and for purposes of title I and title II the meaning of "State" shall also include the Trust Territory of the Pacific Islands; except that when used in section 225 of this Act this term means only a State or the District of Columbia. The term "United States" when used in a geographical sense includes all those places named in the previous sentence, and all other places continental or insular, subject to the jurisdiction of the United States;

(2) the term "financial assistance" when used in titles I, II, III-B, IV, and V-B includes assistance advanced by grant, agreement, or contract, but does not include the procurement of plant or equipment, or goods or services;

(3) the term "permanent resident of the United States" when used in titles I-A and I-B shall include any native and citizen of Cuba who arrived in the United States from Cuba as a non-immigrant or as a parolee subsequent to January 1, 1959, under the provisions of section 214(a) or 212(d)(5), respectively, or any person admitted as a conditional entrant under section 203(a)(7), of the Immigration and Nationality Act; and

(4) the term "Director" means the Director of the Office of Economic Opportunity.⁶⁰

Programs for the Elderly Poor

Sec. 610. It is the intention of Congress that whenever feasible the special problems of the elderly poor shall be considered in the development, conduct, and administration of programs under this Act. The Director shall (1) carry out such investigations and studies, including consultations with appropriate agencies and organizations, as may be necessary to develop and carry out a plan for the participation of the elderly poor in programs under this Act, including programs providing employment opportunities, public service opportunities, education and other services and activities which assist the elderly poor to achieve self-sufficiency; (2) maintain a constant review of

⁶⁰ P.L. 90-222, sec. 108(f), amended section 609 in its entirety. Prior to this amendment, section 609 read:

"Sec. 609. As used in this Act:

(a) The term 'State' means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and for purposes of title I and part A of title II such term includes the Trust Territory of the Pacific Islands; and the term 'United States', when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term 'agency', unless the context requires otherwise, means—department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term 'family', in the case of a Job Corps enrollee, means—

(1) the spouse or child of an enrollee, and

(2) any other relative who draws substantial support from the enrollee."

all programs under this Act to assure that the needs of the elderly poor are given adequate consideration; (3) initiate and maintain inter-agency liaison with all other appropriate Federal agencies to achieve a coordinated national approach to the needs of the elderly poor; and (4) determine and recommend to the President and the Congress such programs requiring additional authority and the necessary legislation to provide such authority. In exercising his responsibilities under this section, the Director shall cooperate with the Commissioner on Aging. The Director shall describe the ways in which this section has been implemented in the annual report required by section 608.⁶¹

Comparability of Wages⁶²

Sec. 610-1. (a) The Director shall take such action as may be necessary to assure that persons employed in carrying out programs financed under part A of title I or ⁶³ title II (except a person compensated as provided in section 602) shall not receive compensation at a rate which is (1) in excess of the average rate of compensation paid in the area where the program is carried out to a substantial number of the ⁶⁴ persons providing substantially comparable services, or in excess of the average rate of compensation paid to a substantial number of the ⁶⁵ persons providing substantially comparable services in the area of the person's immediately preceding employment, whichever is higher or (2) less than the minimum wage rate prescribed in section 6(a) (1) of the Fair Labor Standards Act of 1938.

(b) Not later than sixty days after the close of the fiscal year 1967 and each fiscal year thereafter the Director shall prepare and submit to the President for submission to the Congress a list of the names of all officers or employees whose compensation is subject to the limitations set forth in subsection (a) of this section and who were receiving at the end of such fiscal year a salary of \$10,000 or more per year, together with the amount of compensation paid to each such person and the amount of such compensation paid from funds advanced or granted pursuant to this Act. No grant, contract or agreement shall be made under any of the provisions of this Act referred to in subsection (a) of this section which does not contain adequate provisions to assure the furnishing of information required by the preceding sentence.

(c) No person whose compensation exceeds \$6,000 per annum and is paid pursuant to any grant, contract, or agreement authorized under part A of title I or part A of title II (except a person compensated as provided in section 602) shall be employed at a rate of compensation which exceeds by more than 20 percent the salary which he was receiving in his immediately preceding employment, but the Director may grant exceptions for specific cases. In determining salary in preceding

⁶¹ P.L. 90-222, sec. 108(g), amended section 610 in its entirety. Prior to this amendment, section 610 read:

"Sec. 610. It is the intention of Congress that whenever feasible the special problems of the elderly poor shall be considered in the development, conduct, and administration of programs under this Act. The Director shall carry out such investigations and studies, including consultations with appropriate agencies and organizations, as may be necessary (1) to develop programs providing employment opportunities, public service opportunities, and education for the elderly poor under the provisions of this Act, and (2) to determine and recommend to the President and the Congress such programs requiring additional authority and the necessary legislation to provide such authority." (P.L. 89-794, sec. 601(b), added the last sentence to former section 610.)

⁶² P.L. 89-794, sec. 606, added section 610-1.

⁶³ P.L. 90-222, sec. 108(h), deleted "part A of".

⁶⁴ P.L. 90-222, sec. 108(h), inserted "a substantial number of the".

⁶⁵ P.L. 90-222, sec. 108(h), inserted "a substantial number of the".

employment for one regularly employed for a period of less than 12 months per year, the salary shall be adjusted to an annual basis.

Limitation on Benefits for Those Voluntarily Poor

Sec. 611. The Director shall take such action as may be necessary to assure that, in determining a person's eligibility for benefits under this Act on account of his poverty, such person will not be deemed to meet the poverty criteria if his lack of income results from his refusal, without good cause, to seek or accept employment commensurate with his health, age, education, and ability.⁶⁶

Joint Funding

Sec. 612. Pursuant to regulations prescribed by the President, where funds are advanced for a single project by more than one Federal agency to a community action agency or other agency assisted under this Act, any one Federal agency may be designated to act for all in administering the funds advanced. In such cases, a single local share requirement may be established according to the proportion of funds advanced by each agency, and any such agency may waive any technical grant or contract requirement (as defined by such regulations) which is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose.⁶⁷

⁶⁶ P.L. 90-222, sec. 108(i), amended section 611 in its entirety. Prior to this amendment, section 611 read:

"Sec. 611. (a) In order to insure that all Federal programs related to the purposes of this Act are carried out in a coordinated manner—

(1) the Director is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies;

(2) Federal agencies which are engaged in administering programs related to the purposes of this Act, or which otherwise perform functions relating thereto, shall—

(A) cooperate with the Director in carrying out his duties and responsibilities under this Act; and

(B) carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act; and

(3) the President may direct that particular programs and functions, including the expenditure of funds, of the Federal agencies referred to in paragraph (2) shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

"(b) In order to insure that all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

"(c) It shall be the responsibility of the Director, the Secretary of Labor, the Secretary of Health, Education, and Welfare, and the heads of all other departments and agencies concerned, acting through the President's Committee on Manpower, to provide for, and take such steps as may be necessary and appropriate to implement, the effective coordination of all programs and activities within the executive branch of the Government relating to the training of individuals for the purpose of improving or restoring employability.

"(d) The Secretary of Labor, pursuant to such agreements as may be necessary or appropriate (which may include arrangements for reimbursement), shall—

(1) be responsible for assuring that the Federal-State employment service provides and develops its capacity for providing maximum support for the programs described in subsection (c); and

(2) obtain from the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Director of the Office of Economic Opportunity, and the head of any other Federal agency administering a training program, such employment information as will facilitate the placement of individuals being trained." (P.L. 89-794, sec. 607, added former subsections (c) and (d).)

⁶⁷ P.L. 90-222, sec. 108(j), amended section 612 in its entirety. Prior to this amendment, section 612 read:

"Sec. 612. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference to any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title II of this Act."

Limitation With Respect to Certain Unlawful Activities

Sec. 613. No individual employed or assigned by any community action agency or other agency assisted under this Act shall, pursuant to or during the performance of services rendered in connection with any program or activity conducted or assisted under this Act by such community action agency or such other agency, plan, initiate, participate in, or otherwise aid or assist in the conduct of any unlawful demonstration, rioting, or civil disturbance.⁶⁸

Prohibition of Federal Control

Sec. 614. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

Duration of Program⁶⁹

Sec. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the three succeeding fiscal years. For each such fiscal year only such sums may be appropriated as the Congress may authorize by law.

Transfer of Funds

Sec. 616. Notwithstanding any limitation on appropriations for any program or activity under this Act or any Act authorizing appropriations for such program or activity, not to exceed 10 per centum of the amount appropriated or allocated from any appropriation for the purpose of enabling the Director to carry out any such program or activity under the Act may be transferred and used by the Director for the purpose of carrying out any other such program or activity

⁶⁸ P.L. 90-222, sec. 108(k), amended section 613 in its entirety. Prior to this amendment, section 613 read:

"Sec. 613. (a) In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

"(b) The Director shall publish and maintain on a current basis, a catalog of Federal programs relating to individual and community improvement. The Director is further authorized to make grants from funds appropriated to carry out title II of this Act, to States and communities to establish information service centers for the collection, correlation, and distribution of information required to further the purposes of this Act.

"(c) In order to insure that all Federal programs related to the purposes of this Act are utilized to the maximum possible extent, and in order to insure that all appropriate officials are kept fully informed of such programs, the Director shall establish procedures to assure prompt distribution to States and local agencies of all current information, including administrative rules, regulations and guidelines, required by such agencies for the effective performance of their responsibilities." (P.L. 89-794, sec. 608, added former subsections (b) and (c).)

⁶⁹ P.L. 89-794, sec. 609, amended section 615 in its entirety. Prior to this amendment, such section read:

"Sec. 615. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1965, and the three succeeding fiscal years. For the purpose of carrying out this title (other than for purposes of making credits to the revolving fund established by section 606(a)), there is hereby authorized to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1965, and the sum of \$30,000,000 for the fiscal year ending June 30, 1966; and for the fiscal year ending June 30, 1967, and the succeeding fiscal year, such sums may be appropriated as the Congress may hereafter authorize by law."

under the Act; but no such transfer shall result in increasing the amounts otherwise available for any program or activity by more than 10 per centum.⁷⁰

Distribution of Benefits Between Rural and Urban Areas

Sec. 617. The Director shall adopt appropriate administrative measures to assure that benefits of this Act will be distributed equitably between residents of rural and urban areas.

Sec. 618. [Expired.]

Limitation on Federal Administrative Expenses⁷¹

Sec. 619. The total administrative expenses, including the compensation of Federal employees, incurred by Federal agencies under the authority of this Act for any fiscal year shall not exceed ten percent of the amount authorized to be appropriated by this Act for that year. *Provided, however,* That grants, subsidies, and contributions, and payments to individuals, other than Federal employees shall not be counted as an administrative expense.

Private Enterprise Participation⁷²

Sec. 620. The Director and the heads of any other Federal departments or agencies to which the conduct of programs described in this Act have been delegated shall take such steps as may be desirable and appropriate to insure that the resources of private enterprise are employed to the maximum feasible extent in the programs described in this Act. The Director and such other agency heads shall submit at least annually to the Congress a joint or combined report describing the actions taken and the progress made under this section.

Responsibility for Follow Through Programs⁷³

Sec. 621. Pursuant to section 602(d), the Director shall delegate his functions under section 222(a) (2) to the Secretary of Health, Education, and Welfare, and such functions shall be carried out through the Office of Education of the Department of Health, Education, and Welfare.

PART B—COORDINATION⁷⁴

Statement of Purpose

Sec. 630. This part establishes an Economic Opportunity Council, provides for an information center, and prescribes certain duties and

⁷⁰ P.L. 90-222, sec. 108(l), amended section 616 in its entirety. Prior to this amendment, section 616 read:

"Sec. 616. Notwithstanding any limitation on appropriations under any title of this Act or any Act authorizing appropriations for any such title (other than part C of title I), not to exceed 10 per centum of the amount appropriated or allocated from any appropriation for the purpose of enabling the Director to carry out programs or activities under any such title may be transferred and used by the Director for the purpose of carrying out programs or activities under any other such title; but no such transfer shall result in increasing the amounts otherwise available under any title by more than 10 per centum." (P.L. 89-794, sec. 610, inserted the phrase "or any Act authorizing appropriations for any such title (other than part C of title I).")

⁷¹ P.L. 89-794, sec. 612, added section 619.

⁷² P.L. 89-794, sec. 614(a), added section 620.

⁷³ P.L. 90-222, sec. 108(m), added section 621.

⁷⁴ P.L. 90-222, sec. 108(m) (3), added Part B of title VI.

responsibilities. Its purpose is to promote better coordination among all programs related to this Act, with a view to making those programs more effective in reaching and serving the poor, assisting State and local agencies to adapt diverse Federal programs to varying local problems and conditions, stimulating new and more imaginative ways of combining complementary Federal resources in the solution of specific problems, and generally improving cooperation and communication among all levels of government, agencies, and institutions in matters related to the purposes of this Act.

Economic Opportunity Council

Sec. 631. (a) There is established, in the Executive Office of the President, the Economic Opportunity Council (hereinafter referred to as the "Council"), which shall be composed of the Director and the heads of such Federal departments and agencies, such Presidential assistants and such other officials of the Federal Government as the President may from time to time designate. The President shall designate one of the members of the Council to serve as chairman. Each member shall designate an alternate to sit in his stead in the event of his unavoidable absence.

(b) It shall be the responsibility of the Council to assist the President in—

(1) providing for the coordination of Federal programs and activities related to this Act;

(2) developing basic policies and setting priorities with respect to such programs and activities;

(3) resolving differences arising among Federal departments and agencies with respect to such programs and activities; and

(4) initiating and arranging for the carrying out of specific actions or projects designed to achieve the objectives of this Act.

(c) The President shall appoint an Executive Secretary of the Council. The Executive Secretary is authorized to appoint and fix the compensation of such personnel as may be necessary to assist him in the performance of his duties. Employees of other Federal departments and agencies may be detailed to the Council from time to time to provide temporary assistance.

(d) To the extent appropriate, a report of the activities of the Council shall be included in the annual report of the Director to the President and to the Congress, or in a separate report to the Congress.

(e) From the sums authorized and appropriated to carry out the provisions of this title, the President shall reserve such amounts as may be necessary to carry out the purposes of this section.

Responsibilities of the Director

Sec. 632. In addition to his other powers under this Act, and to assist the President in coordinating the antipoverty efforts of all Federal agencies, the Director shall—

(1) undertake special studies of specific coordination problems at the request of the President or the Council, or on his own initiative;

(2) carry on a continuing evaluation of all activities under this Act, and consult with interested agencies and groups, including

State agencies described in section 231 of this Act and the National Advisory Council, with a view to identifying coordination problems that may warrant consideration by the Council or the President and, to the extent feasible or appropriate, initiate action for overcoming those problems, either through the Office of Economic Opportunity or in conjunction with other Federal, State, or local agencies; and

(3) prepare a five-year national poverty action plan showing estimates of Federal and other governmental expenditures, and, where feasible, the contributions of the private sector, needed to eliminate poverty in this country within alternative periods of time. Such plan shall include estimates of the funds necessary to finance all relevant programs authorized by this and other Acts, and any new programs which may be necessary to eliminate poverty in this country, and it shall include recommendations for such new programs. The plan shall be presented to the Congress and updated on an annual basis.

Cooperation of Federal Agencies

Sec. 633. (a) Federal agencies administering programs related to this Act shall—

(1) cooperate with the Director and with the Council in carrying out their duties and responsibilities; and

(2) carry out their programs and exercise their functions so as to assist in carrying out the provisions and purposes of this Act, to the fullest extent permitted by other applicable law.

(b) The Council and the Director may call upon Federal agencies to supply statistical data, program reports, and other materials as they deem necessary to discharge their responsibilities under this Act.

(c) The President may direct that particular programs and functions, including the expenditure of funds, of Federal agencies shall be carried out, to the extent not inconsistent with other applicable law, in conjunction with or in support of programs authorized under this Act.

Combinations Among Projects and Programs

Sec. 634. In order to encourage efficiencies, close unnecessary service gaps, and generally promote more effective administration, the Director shall require, to the fullest extent feasible, that projects or programs assisted under this Act be carried on so as to supplement one another, or where appropriate other related programs or projects, and be included within or otherwise carried on in combination with community action programs. In the case of other programs related to this Act, the heads of the Federal agencies responsible for those programs shall, to the extent permitted by law, similarly provide assistance for projects and activities in a manner which encourages combinations with other related projects and activities where appropriate, and with community action programs. The Economic Opportunity Council shall, in carrying out its responsibilities under this part, make a continuing review of the operation of this section with a view to (1) determining particular groups of programs which, because of their objectives, or similarities in target groups or areas, are especially appropriate for combined or closely coordinated operation at the State

or local level, and making recommendations accordingly to the President or appropriate Federal officials; (2) evaluating Federal agency procedures for carrying out this section, and developing or recommending additional or common procedures, as appropriate; and (3) determining whether, and to what extent, consolidations of Federal programs may be justified and making recommendations respecting such consolidations to the Director and the President.

Information Center

Sec. 635. (a) The Director shall establish and operate an information center for the purpose of insuring that maximum use is made of Federal programs related to this Act and that information concerning those programs and other relevant information is readily available to public officials and other interested persons. The Director shall collect, prepare, analyze, correlate, and distribute information as described above, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset of that cost), and may make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulations. In connection with operation of the center, the Director may carry on research or studies concerning the improvement of information systems in support of the purposes of this Act, the adequacy of existing data, ways in which data generated on the State and local level may be incorporated into Federal information systems, and methods by which data may be made more readily available to State and local officials or used to further coordination objectives.

(b) The Director shall publish and maintain on a current basis, a catalog of Federal programs relating to individual and community improvement. He may also make grants, from funds appropriated to carry out title II of this Act, to States and communities to establish information service centers for the collection, correlation, and distribution of information required to further the purposes of this Act.

(c) In order to assure that all appropriate officials are kept fully informed of programs related to this Act, and that maximum use is made of those programs, the Director shall establish procedures to assure prompt distribution to State and local agencies of all current information, including administrative rules, regulations, and guidelines, required by those agencies for the effective performance of their responsibilities.

Prohibition

Sec. 636. In order to assure that existing Federal agencies are used to the fullest extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

Special Responsibilities: Training Programs

Sec. 637. (a) It shall be the responsibility of the Director, the Secretary of Labor, the Secretary of Health, Education, and Welfare, and the heads of all other departments and agencies concerned, acting through such procedures or mechanisms as the President may pre-

scribe, to provide for, and take such steps as may be necessary and appropriate to implement, the effective coordination of all programs and activities within the executive branch of the Government relating to the training of individuals for the purpose of improving or restoring employability.

(b) The Secretary of Labor, pursuant to such agreements as may be necessary or appropriate (which may include arrangements for reimbursement) shall—

(1) be responsible for assuring that the Federal-State employment service provides and develops its capacity for providing maximum support for the programs described in subsection (a); and

(2) obtain from the Secretary of Commerce, the Secretary of Health, Education, and Welfare, the Director of the Office of Economic Opportunity, and the head of any other Federal agency administering a training program, such employment information as will facilitate the placement of individuals being trained.

Definitions

Sec. 638. As used in this part, “programs related to this Act” and “coordination” shall include the programs and actions described in this section:

(1) “Programs related to this Act” include programs under this Act and all Federal or federally assisted programs which have objectives which are, in whole or substantial part, complementary to the purposes of this Act, or which provide resources which may be used in combination with resources under this Act to assist in achieving any of the purposes of this Act.

(2) “Coordination” includes, but is not limited to—

(A) actions to improve the common effectiveness of programs in reaching and serving the poor, such as actions: to extend services to new areas, provide them in a common place, or structure them so that they are more readily accepted or widely utilized; to eliminate procedures or requirements that may be inappropriate for or result in unnecessary hardship to disadvantaged persons with limited education or other special handicaps; to establish common eligibility standards among programs serving substantially similar groups or operating in the same areas; or to develop methods of operation or administration that will provide new employment incentives or opportunities for the poor;

(B) actions to promote better use at the State or local level of Federal assistance available under diverse programs, such as actions to establish procedures for cooperation among State or local agencies seeking assistance from different Federal sources with a view to eliminating unnecessary duplication and service gaps and promoting common or complementary priorities; or to modify or improve technical or administrative requirements imposed by different Federal agencies that may operate to increase unnecessarily the burdens of State or local agencies, minimize their opportunities for the imaginative use of Federal assistance, or discourage their cooperation with one another;

(C) actions to promote simplification and efficiencies through the joint or combined use of Federal resources, such as actions to develop new methods of processing requests for assistance or granting assistance that will enable Federal agencies more generally to use resources jointly in support of common objectives; to establish common priorities for purposes of program planning, research and demonstration activities; and to effect combinations among or redirect Federal programs or activities for the purpose of eliminating unnecessary duplication;

(D) actions to improve communication and general cooperation, such as actions to strengthen ties among regional offices of different Federal agencies and among such offices and other regional agencies or organizations; to develop and improve procedures by which Federal agencies may act together in promulgating or making available items of information, including information as to the availability and allocation of funds, which are closely related to one another for purposes of State or local planning and budgeting; or to develop procedures by which State and local agencies may be afforded new opportunities to participate in Federal policy decisions, including decisions on recommended legislation, affecting their capacity to operate efficiently and effectively.

TITLE VII—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

Public Assistance

Sec. 701. (a) Notwithstanding the provisions of titles I, IV, X, XIV, XVI and XIX ⁷⁵ of the Social Security Act, a State plan approved under any such title shall provide that—

(1) the first \$85 plus one-half of the excess over \$85 of payments made to or on behalf of any person for or with respect to any month under title I or II of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title III of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved State plan.

(b) No funds to which a State is otherwise entitled under titles I, IV, X, XIV, or XVI of the Social Security Act for any period before

⁷⁵ P.L. 89-794, sec. 701(a), added "XIX". Sec. 701(b) of P.L. 89-794 provides:

"(b) No funds to which a state is otherwise entitled under title XIX of the Social Security Act for any period before October 1, 1967, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements resulting from the amendment made by subsection (a)."

July 1, 1968 ⁷⁶, shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of subsection (a). With respect to any period after June 30, 1969, subsection (a) shall not apply.⁷⁷

TITLE VIII—DOMESTIC VOLUNTEER SERVICE PROGRAMS ⁷⁸

VOLUNTEERS IN SERVICE TO AMERICA

Statement of Purpose

Sec. 801. This title provides for a program of full-time volunteer service, for programs of part-time or short-term community volunteer service, and for special volunteer programs, together with other powers and responsibilities designed to assist in the development and coordination of volunteer programs. Its purpose is to strengthen and supplement efforts to eliminate poverty by encouraging and enabling persons from all walks of life and all age groups, including elderly and retired Americans, to perform meaningful and constructive service as volunteers in part-time or short-term programs in their home or nearby communities, and as full-time volunteers serving in rural areas and urban communities, on Indian reservations, among migrant workers, in Job Corps centers, and in other agencies, institutions, and situations where the application of human talent and dedication may help the poor to overcome the handicaps of poverty and to secure and exploit opportunities for self-advancement.

PART A—FULL-TIME VOLUNTEER PROGRAMS

Authority To Establish Full-Time Programs

Sec. 810. (a) The Director may recruit, select, and train persons to serve in full-time volunteer programs, and upon request of Federal, State, or local agencies, or private nonprofit organizations, may assign such volunteers to work—

(1) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands;

(2) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities; and

(3) in connection with programs or activities authorized, supported or of a character eligible for assistance under this Act.

(b) The assignment of volunteers under this section shall be on such terms and conditions (including restrictions on political activities that appropriately recognize the special status of volunteers living among the persons or groups served by programs to which they have

⁷⁶ P.L. 90-222, sec. 109, inserted "July 1, 1968, in lieu of "July 1, 1965".

⁷⁷ P.L. 90-222, sec. 109, added the last sentence of section 701(b).

⁷⁸ P.L. 90-222, sec. 110, amended title VIII in its entirety.

been assigned) as the Director may determine, including work assignments in their own or nearby communities; but volunteers under this part shall not be assigned to duties or work in any State without the consent of the Governor. The assignment of such a volunteer in any State shall be terminated by the Director when so requested by the Governor of such State not later than thirty days or at a time thereafter agreed upon by the Governor and Director after such request has been made by the Governor to the Director.

Terms of Service

Sec. 811. (a) Volunteers under this part shall be required to make a full-time personal commitment to combating poverty. To the extent practicable, this shall include a commitment to live among and at the economic level of the people served, and to remain available for service without regard to regular working hours, at all times during their term of service, except for authorized periods of leave.

(b) Volunteers under this part shall be enrolled for one-year periods of service, excluding time devoted to training. The Director may, however, allow persons who are unable to make a full one-year commitment to enroll as volunteer associates for periods of service of not less than two months where he determines that this more limited service will effectively promote the purposes of this title.

(c) All volunteers under this part shall take and subscribe to an oath or affirmation in the form prescribed by section 106 of this Act, and the provisions of section 1001 of title 18, United States Code, shall be applicable with respect to that oath or affirmation.

Support of Full-Time Volunteers

Sec. 812. (a) The Director may provide a stipend to volunteers under this part while they are in training and on assignment, but the stipend shall not exceed \$50 per month during the volunteer's first year of service. He may provide a stipend not to exceed \$75 per month in the case of persons who have served for at least one year and who, in accordance with standards prescribed by him, have been designated volunteer leaders on the basis of experience and special skills. The Director may also provide volunteers such living, travel (including travel to and from the place of training), and leave allowances, and such housing, supplies, equipment, subsistence, clothing, health and dental care, or such other support, as he may deem necessary or appropriate for their needs.

(b) Stipends shall be payable only upon completion of a term of service; except that in extraordinary circumstances the Director may from time to time advance accrued stipend, or any portion thereof, to or on behalf of a volunteer. In the event of the death of a volunteer during service, the amount of any unpaid stipend shall be paid in accordance with the provisions of section 5582 of title 5, United States Code.

(c) The Director may provide or arrange for educational and vocational counseling of volunteers and recent volunteers to encourage them to use the skills and experience which they have derived from their training and service in the national interest, and particularly in combating poverty as members of the helping professions.

PART B—AUXILIARY AND SPECIAL VOLUNTEER PROGRAMS

Community Service Programs

Sec. 820. (a) The Director shall develop programs designed to expand opportunities for persons to participate in a direct and personal way, on a part-time basis or for shorter periods of service than are required for enrollment under section 810, and in their home or nearby communities, in volunteer activities contributing to the elimination of poverty. Pursuant to appropriate plans, agreements, or other assistance needed to carry on projects that are undertaken in connection with these programs. These projects may include, without limitation, activities designed (1) to encourage greater numbers of persons to participate, as volunteers, in local programs and projects assisted under this Act, with particular emphasis upon programs designed to aid youth or promote child development; (2) to encourage persons with needed managerial, professional, or technical skills to contribute those skills to programs for the development or betterment of urban and rural neighborhoods or areas having especially large concentrations or proportions of the poor, with particular emphasis upon helping residents of those neighborhoods or areas to develop the competence necessary to take advantage of public and private resources which would not otherwise be available or used for those programs; and (3) to assist existing national and local agencies relying upon or in need of volunteers to obtain volunteer services more readily, or to provide specialized short-term training, with particular emphasis on agencies serving the most seriously disadvantaged, operating in areas of the most concentrated poverty, or having similar critical needs.

(b) Persons serving as volunteers under this section shall receive no living allowance or stipend and only such other support or allowances as the Director determines, pursuant to regulations, are required because of unusual or special circumstances affecting the project.

(c) The services of any person, if otherwise allowable as a non-Federal contribution toward the cost of any program or project assisted under this or any other Federal Act, shall not be disallowed merely by reason of actions of the Director under this section in providing for or assisting in the recruitment, referral, or preservice training of such person.

Special Volunteer Programs

Sec. 821. The Director is authorized to conduct, or provide by grant or contract for, special volunteer programs designed to stimulate and initiate improved methods of providing volunteer services and to encourage wider volunteer participation, in furtherance of the purposes of this title. Not to exceed 10 per centum of the sums appropriated or allocated from any appropriation to carry out this title for any fiscal year may be used for programs under this section.

Demonstration Projects To Help Young Adult Criminal Offenders

Sec. 822. (a) The Director is authorized to conduct, or to make grants, contracts, or other arrangements for the conduct of demonstration projects in not more than four areas during the fiscal year ending

June 30, 1968, and in not more than six areas during each of the two succeeding fiscal years, under which—

(1) volunteers under part A, and members of the Teacher Corps furnished pursuant to this section, provide criminal offenders aged sixteen through twenty-five with intensive education, training, and counseling for at least a six-month period prior to their release from confinement and for at least a six-month period thereafter;

(2) not more than one hundred such volunteers are employed pursuant to this section during the fiscal year ending June 30, 1968, and not more than one hundred and fifty such volunteers are so employed during each of the two succeeding fiscal years;

(3) the Commissioner of Education furnishes, on a reimbursable basis, for the purpose of this section, members of the Teacher Corps who have been recruited and trained by one or more institutions of higher education; and

(4) not more than forty such members are furnished pursuant to this section during the fiscal year ending June 30, 1968, and not more than sixty such members are so furnished during each of the two succeeding fiscal years.

(b) Members of the Teacher Corps enrolled for purposes of this section, who are not experienced teachers, shall be compensated at the rate of \$75 per week plus \$15 per week for each dependent. Such members who are experienced teachers shall be compensated at a rate to be fixed by the Commissioner of Education. Assignment of members of the Teacher Corps pursuant to this section shall be without regard to the provisions of section 513(c) of the Higher Education Act of 1965.

PART C—GENERAL PROVISIONS

Coordination With Other Programs

Sec. 831. The Director shall take necessary steps to coordinate volunteer programs authorized under this title with one another, with community action programs, and with other related Federal, State, local, and national programs. These steps shall include, to the extent feasible, actions to promote service by volunteers or former volunteers in the full-time programs authorized under part A in providing necessary support to programs under part B, and actions to encourage persons serving as part-time or short-term volunteers to make commitments under part A as regular or associate full-time volunteers. The Director shall also consult with the heads of other Federal, State, local, and national agencies responsible for programs related to the purpose of this Act with a view to encouraging greater use of volunteer services in those programs and establishing in connection with them systematic procedures for the recruitment, referral, or necessary preservice orientation or training of part-time volunteers serving pursuant to this part.

Participation of Older Persons

Sec. 832. In carrying out this title, the Director shall take necessary steps, including the development of special projects where appropriate, to encourage the fullest participation of older persons and older persons membership groups as volunteers and participant agencies in the

various programs and activities authorized under this title and, because of the high proportion of older persons within the poverty group, shall encourage the development of a variety of volunteer services to older persons, including special projects, to assure that they are served in proportion to their need.

Sec. 833. (a) Except as provided in subsection (b), volunteers under this title shall not be deemed Federal employees and shall not be subject to the provisions of laws relating to Federal employment.

(b) Individuals who receive either a living allowance or a stipend under part A shall, with respect to such services or training, (1) be deemed, for the purposes of subchapter III of chapter 73 of title 5 of the United States Code, persons employed in the executive branch of the Federal Government, and (2) be deemed Federal employees to the same extent as enrollees of the Job Corps under section 116(a)(1), (2), and (3) of this Act, except that for purposes of the computation described in 116(a)(2)(B) the monthly pay of a volunteer shall be deemed to be that received under the entrance salary for GS-7 under section 5332 of title 5, United States Code.

Special Limitations

Sec. 834. (a) The Director shall prescribe regulations to assure that service under this title is limited to activities which would not otherwise be performed and which will not result in the displacement of employed workers or impair existing contracts for service.

(b) All support, including transportation provided to volunteers under this title, shall be furnished at the lowest possible cost consistent with the effective operations of volunteer programs.

(c) No agency or organization to which volunteers are assigned hereunder, or which operates or supervises any volunteer program hereunder shall request or receive any compensation for services of volunteers supervised by such agency or organization.

(d) No funds authorized to be appropriated herein shall be directly or indirectly utilized to finance labor or anti-labor organization or related activity.

(e) Persons serving as volunteers under this title shall provide such information concerning their qualifications, including their ability to perform their assigned tasks and their integrity, as the Director shall prescribe and shall be subject to such procedures, for selection and approval as the Director may require. The Director may fix such special procedures for the selection and approval of low-income residents of the area to be served by a program who wish to become volunteers as he determines will contribute to carrying out the purposes of this title.

Duration of Program

Sec. 835. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the three succeeding fiscal years. For each such fiscal year only such sums may be appropriated as the Congress may authorize by law.

FARM LABOR CONTRACTOR REGISTRATION ACT OF 1963¹

(P.L. 88-582) (78 Stat. 920) (7 U.S.C. 2041)

An Act To Provide for the Registration of Contractors of Migrant Agricultural Workers, and for Other Purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Labor Contractor Registration Act of 1963".

Congressional Findings and Declaration of Policy

Sec. 2. (a) The Congress hereby finds that the channels and instrumentalities of interstate commerce are being used by certain irresponsible contractors for the services of the migrant agricultural laborers who exploit producers of agricultural products, migrant agricultural laborers, and the public generally, and that, as a result of the use of the channels and instrumentalities of interstate commerce by such irresponsible contractors, the flow of interstate commerce has been impeded, obstructed, and restrained.

(b) It is therefore the policy of this Act to remove the impediments, obstructions, and restraints occasioned to the flow of interstate commerce by the activities of such irresponsible contractors by requiring that all persons engaged in the activity of contracting for the services of workers for interstate agricultural employment comply with the provisions of this Act and all regulations prescribed hereunder by the Secretary of Labor.

Definitions

Sec. 3. As used in this Act—

(a) The term "person" includes any individual, partnership, association, joint stock company, trust, or corporation.

(b) The term "farm labor contractor" means any person, who, for a fee, either for himself or on behalf of another person, recruits, solicits, hires, furnishes, or transports ten or more migrant workers (excluding members of his immediate family) at any one time in any calendar year for interstate agricultural employment. Such term shall not include (1) any nonprofit charitable organization, public or nonprofit private educational institution, or similar organization; (2) any farmer, processor, canner, ginner, packing shed operator, or nurseryman who engages in any such activity for the purpose of supplying migrant workers solely for his own operation; (3) any full-time or regular employee of any entity referred to in (1) or (2)

¹ The Farm Labor Contractor Registration Act was approved on September 7, 1964.

above; or (4) any person who engages in any such activity for the purpose of obtaining migrant workers of any foreign nation for employment in the United States, if the employment of such workers is subject to (A) an agreement between the United States and such foreign nation, or (B) an arrangement with the government of any foreign nation under which written contracts for the employment of such workers are provided for and the enforcement thereof is provided for in the United States by an instrumentality of such foreign nation.

(c) The term "fee" includes any money or other valuable consideration paid or promised to be paid to a person for services as a farm labor contractor.

(d) The term "interstate agricultural employment" means employment in any service or activity included within the provisions of section 3(f) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 203(f)), or section 3121(g) of the Internal Revenue Code of 1954 (26 U.S.C. 3121(g)), when such service or activity is performed by an individual worker who has been transported from one State to another or from any place outside of a State to any place within a State.

(e) The term "Secretary" means the Secretary of the United States Department of Labor or his duly authorized representative.

(f) The term "State" means any of the States of the United States, the District of Columbia, the Virgin Islands, the Commonwealth of Puerto Rico, and Guam.

(g) The term "migrant worker" means an individual whose primary employment is in agriculture, as defined in section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)), or who performs agricultural labor, as defined in section 3121(g) of the Internal Revenue Code of 1954 (26 U.S.C. 3121(g)), on a seasonal or other temporary basis.

Certificate of Registration Required

Sec. 4. (a) No person shall engage in activities as a farm labor contractor unless he first obtains a certificate of registration from the Secretary, and unless such certificate is in full force and effect and is in such person's immediate possession.

(b) A full-time or regular employee of any person holding a valid certificate of registration under the provisions of this Act shall not, for the purpose of engaging in activities as a farm labor contractor solely on behalf of such person, be required to obtain a certificate of registration hereunder in his own name. Any such employee shall be required to have in his immediate personal possession when engaging in such activities such identification as the Secretary may require showing such employee to be an employee of, and duly authorized to engage in activities as a farm labor contractor for, a person holding a valid certificate of registration under the provisions of this Act. Except as provided in the foregoing provisions of this subsection, any such employee shall be subject to the provisions of this Act and regulations prescribed hereunder to the same extent as if he were required to obtain a certificate of registration in his own name.

Issuance of Certificate of Registration

Sec. 5. (a) The Secretary shall, after appropriate investigation, issue a certificate of registration under this Act to any person who—

(1) has executed and filed with the Secretary a written application subscribed and sworn to by the applicant containing such information (to the best of his knowledge and belief) concerning his conduct and method of operation as a farm labor contractor as the Secretary may require in order effectively to carry out the provisions of this Act;

(2) has filed, within such time as the Secretary may prescribe, proof satisfactory to the Secretary of the financial responsibility of the applicant or proof satisfactory to the Secretary of the existence of a policy of insurance which insures such applicant against liability for damages to persons or property arising out of the applicant's ownership of, operation of, or his causing to be operated any vehicle for the transportation of migrant workers in connection with his business, activities, or operations as a farm labor contractor. The amount of any such policy of insurance shall be not less than the amount required under the law or regulation of any State in which such applicant operates a vehicle in connection with his business, activities, or operations as a farm labor contractor; but in no event shall the amount of such insurance be less than \$5,000 for bodily injuries to or death of one person; \$20,000 for bodily injuries to or death of all persons injured or killed in any one accident; \$5,000 for the loss or damage in any one accident to property of others; and

(3) has filed, within such time as the Secretary may prescribe, a set of his fingerprints.

(b) Upon notice and hearing in accordance with regulations prescribed by him, the Secretary may refuse to issue, and may suspend, revoke, or refuse to renew a certificate of registration to any farm labor contractor if he finds that such contractor—

(1) knowingly has made any misrepresentations or false statements in his application for a certificate of registration or any renewal thereof;

(2) knowingly has given false or misleading information to migrant workers concerning the terms, conditions, or existence of agricultural employment;

(3) has failed, without justification, to perform agreements entered into or arrangements with farm operators;

(4) has failed, without justification, to comply with the terms of any working arrangements he has made with migrant workers;

(5) has failed to show financial responsibility satisfactory to the Secretary required by subsection (a) (2) of this section or has failed to keep in effect a policy of insurance required by subsection (a) (2) of this section;

(6) has recruited, employed, or utilized the services of a person with knowledge that such person is violating the provisions of the immigration and nationality laws of the United States;

(7) has been convicted of any crime under State or Federal law relating to gambling or to the sale, distribution, or possession of alcoholic liquors in connection with or incident to his activities as a farm labor contractor; or has been convicted of any crime under State or Federal law involving robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, assault which inflicts grievous bodily injury, or prostitution;

(8) has failed to comply with rules and regulations promulgated by the Interstate Commerce Commission that are applicable to his activities and operations in interstate commerce;

(9) knowingly employs or continues to employ any person to whom subsection (b) of section 4 of this Act applies who has taken any action, except for that listed in paragraph (5) of this subsection, which could be used by the Secretary under this subsection to refuse to issue a certificate of registration; or

(10) has failed to comply with any of the provisions of this Act or any regulations issued hereunder.

(c) A certificate of registration, once issued, may not be transferred or assigned and shall be effective for the remainder of the calendar year during which it is issued, unless suspended or revoked by the Secretary as provided in this Act. A certificate of registration may be renewed each calendar year upon approval by the Secretary of an application for its renewal.

Obligations and Prohibitions

Sec. 6. Every farm labor contractor shall—

(a) carry his certificate of registration with him at all times while engaging in activities as a farm labor contractor and exhibit the same to all persons with whom he intends to deal in his capacity as a farm labor contractor prior to so dealing;

(b) ascertain and disclose to each worker at the time the worker is recruited the following information to the best of his knowledge and belief: (1) the area of employment, (2) the crops and operations on which he may be employed, (3) the transportation, housing, and insurance to be provided him, (4) the wage rates to be paid him, and (5) the charges to be made by the contractor for his services;

(c) upon arrival at a given place of employment, post in a conspicuous place a written statement of the terms and conditions of that employment;

(d) in the event he manages, supervises, or otherwise controls the housing facilities, post in a conspicuous place the terms and conditions of occupancy; and

(e) in the event he pays migrant workers engaged in interstate agricultural employment, either on his own behalf or on behalf of another person, keep payroll records which shall show for each worker total earnings in each payroll period, all withholdings from wages, and net earnings. In addition, for workers employed

on a time basis, the number of units of time employed and the rate per unit of time shall be recorded on the payroll records, and for workers employed on a piece rate basis, the number of units of work performed and the rate per unit shall be recorded on such records. In addition he shall provide to each migrant worker engaged in interstate agricultural employment with whom he deals in a capacity as a farm labor contractor a statement of all sums paid to him (including sums received on behalf of such migrant worker) on account of the labor of such migrant worker. He shall also provide each such worker with an itemized statement showing all sums withheld by him from the amount he received on account of the labor of such worker, and the purpose for which withheld. The Secretary may prescribe an appropriate form for recording such information.

Authority To Obtain Information

Sec. 7. The Secretary or his designated representative may investigate and gather data with respect to matters which may aid in carrying out the provisions of this Act. In any case in which a complaint has been filed with the Secretary regarding a violation of this Act or with respect to which the Secretary has reasonable grounds to believe that a farm labor contractor has violated any provisions of this Act, the Secretary or his designated representative may investigate and gather data respecting such case, and may, in connection therewith, enter and inspect such places and such records (and make such transcriptions thereof), question such persons, and investigate such facts, conditions, practices, or matters as may be necessary or appropriate to determine whether a violation of this Act has been committed.

Agreements With Federal and State Agencies

Sec. 8. The Secretary is authorized to enter into agreements with Federal and State agencies, to utilize (pursuant to such agreements) the facilities and services of the agencies, and to delegate to the agencies such authority, other than rulemaking, as he deems necessary in carrying out the provisions of this Act, and to allocate or transfer funds or otherwise to pay or to reimburse such agencies for expenses in connection therewith.

Penalty Provisions

Sec. 9. Any farm labor contractor or employee thereof who willfully and knowingly violates any provision of this Act or any regulation prescribed hereunder shall be fined not more than \$500.

Applicability of Administrative Procedure Act

Sec. 10. The provisions of the Administrative Procedure Act (5 U.S.C. 551 and the following) shall apply to all administrative proceedings conducted pursuant to the authority contained in this Act.

Judicial Review

Sec. 11. Any person aggrieved by any order of the Secretary in refusing to issue or renew, or in suspending or revoking, a certificate of registration may obtain a review of any such order by filing in the district court of the United States for the district wherein such person resides or has his principal place of business, or in the United States District Court for the District of Columbia, and serving upon the Secretary, within thirty days after the entry of such order, a written petition praying that the order of the Secretary be modified or set aside in whole or in part. Upon receipt of any such petition, the Secretary shall file in such court a full, true, and correct copy of the transcript of the proceedings upon which the order complained of was entered. Upon the filing of such petition and receipt of such transcript, such court shall have jurisdiction to affirm, set aside, modify, or enforce such order, in whole or in part. In any such review, the findings of fact of the Secretary shall not be set aside if supported by substantial evidence. The judgment and decree of the court shall be final, subject to review as provided in sections 1254 and 1291 of title 28, United States Code.

State Laws and Regulations

Sec. 12. This Act and the provisions contained herein are intended to supplement State action and compliance with this Act shall not excuse anyone from compliance with appropriate State law and regulation.

Severability

Sec. 13. If any provision of this Act, or the application thereof to any person or circumstance, shall be held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Rules and Regulations

Sec. 14. The Secretary is authorized to issue such rules and regulations as he determines necessary for the purpose of carrying out the provisions of sections 4, 5, 6, and 8 of this Act.

Effective Date

Sec. 15. The provisions of this Act shall become effective on January 1, 1965.

IMMIGRATION AND NATIONALITY ACT

(66 Stat. 204) (8 U.S.C. 1101)

Sec. 101. (a) * * *

* * * * *

(15) The term "immigrant" means every alien except an alien who is within one of the following classes of nonimmigrant aliens—

* * * * *

(F) (i) an alien having a residence in a foreign country which he has no intention of abandoning, who is a bona fide student qualified to pursue a full course of study and who seeks to enter the United States temporarily and solely for the purpose of pursuing such a course of study at an established institution of learning or other recognized place of study in the United States, particularly designed by him and approved by the Attorney General after consultation with the Office of Education of the United States, which institution or place of study shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant student, and if any such institution of learning or place of study fails to make reports promptly the approval shall be withdrawn, and (ii) the alien spouse and minor children of any such alien if accompanying him or following to join him;

* * * * *

(H) an alien having a residence in a foreign country which he has no intention of abandoning (i) who is of distinguished merit and ability and who is coming temporarily to the United States to perform temporary services of an exceptional nature requiring such merit and ability; or (ii) who is coming temporarily to the United States to perform other temporary services or labor, if unemployed persons capable of performing such service or labor cannot be found in this country; or (iii) who is coming temporarily to the United States as an industrial trainee;

* * * * *

(J) an alien having a residence in a foreign country which he has no intention of abandoning who is a bona fide student, scholar, trainee, teacher, professor, research assistant, specialist, or leader in a field of specialized knowledge or skill, or other person of similar description, who is coming temporarily to the United States as a participant in a program designated by the Secretary of State, for the purpose of teaching, instructing, or lecturing, studying, observing, conducting re-

search, consulting, demonstrating special skills, or receiving training, and the alien spouse and minor children of any such alien if accompanying him or following to join him.

* * * * *

Sec. 212. * * *

(a) Except as otherwise provided in this chapter, the following classes of aliens shall be ineligible to receive visas and shall be excluded from admission into the United States:

* * * * *

(14) Aliens seeking to enter the United States, for the purpose of performing skilled or unskilled labor, unless the Secretary of Labor has determined and certified to the Secretary of State and to the Attorney General that (A) there are not sufficient workers in the United States who are able, willing, qualified, and available at the time of application for a visa and admission to the United States and at the place to which the alien is destined to perform such skilled or unskilled labor, and (B) the employment of such aliens will not adversely affect the wages and working conditions of the workers in the United States similarly employed. The exclusion of aliens under this paragraph shall apply to special immigrants defined in section 101(a)(27)(A) (other than the parents, spouses, or children of United States citizens or of aliens lawfully admitted to the United States for permanent residence), to preference immigrant aliens described in section 203(a)(3) and (6), and to nonpreference immigrant aliens described in section 203(a)(8);

* * * * *

Sec. 214. Admission of Nonimmigrants.

(a) **REGULATIONS.**—The admission to the United States of any alien as a nonimmigrant shall be for such time and under such conditions as the Attorney General may by regulations prescribe, including when he deems necessary the giving of a bond with sufficient surety in such sum and containing such conditions as the Attorney General shall prescribe, to insure that at the expiration of such time or upon failure to maintain the status under which he was admitted, or to maintain any status subsequently acquired under section 1258 of this title, such alien will depart from the United States.

(b) **PRESUMPTION OF STATUS; WRITTEN WAIVER.**—Every alien shall be presumed to be an immigrant until he establishes to the satisfaction of the consular officer, at the time of application for a visa, and the immigration officers, at the time of application for admission, that he is entitled to a nonimmigrant status under section 1101(a)(15) of this title. An alien who is an officer or employee of any foreign government or of any international organization entitled to enjoy privileges, exemptions, and immunities under the International Organizations Immunities Act, or an alien who is the attendant, servant, employee, or member of the immediate family of any such alien shall not be entitled to apply for or receive an immigrant visa, or to enter the United States as an immigrant unless he executes a written waiver in the same form and substance as is prescribed by section 1257(b) of this title.

(c) PETITION OF IMPORTING EMPLOYER.—The question of importing any alien as a nonimmigrant under section 1101(a)(15)(H) of this title in any specific case or specific cases shall be determined by the Attorney General, after consultation with appropriate agencies of the Government, upon petition of the importing employer. Such petition shall be made and approved before the visa is granted. The petition shall be in such form and contain such information as the Attorney General shall prescribe. The approval of such a petition shall not, of itself, be construed as establishing that the alien is a nonimmigrant.

* * * * *

General Classes of Deportable Aliens

Sec. 241.¹ (a) Any alien in the United States, including an alien crewman) shall, upon the order of the Attorney General, be deported who—

(1) at the time of entry was within one or more of the classes of aliens excludable by the law existing at the time of such entry;

(2) entered the United States without inspection or at any time or place other than as designated by the Attorney General or is in the United States in violation of this Act or in violation of any other law of the United States;

* * * * *

(4) is convicted of a crime involving moral turpitude committed within five years after entry and either sentenced to confinement or confined therefor in a prison or corrective institution, for a year or more, or who at any time after entry is convicted of two crimes involving moral turpitude, not arising out of a single scheme of criminal misconduct, regardless of whether confined therefor and regardless of whether the convictions were in a single trial;

(5) has failed to comply with the provisions of section 265 unless he establishes to the satisfaction of the Attorney General that such failure was reasonably excusable or was not willful, or has been convicted under section 266(c) of this title, or under

¹ P.L. 85-316, sec. 7, effective September 11, 1957, restricted the application of sec. 241 as follows:

"Sec. 7. The provisions of section 241 of the Immigration and Nationality Act relating to the deportation of aliens within the United States on the ground that they were excludable at the time of entry as (1) aliens who have sought to procure, or have procured visas or other documentation, or entry into the United States by fraud or misrepresentation, or (2) aliens who were not of the nationality specified in their visas, shall not apply to an alien otherwise admissible at the time of entry who (A) is the spouse, parent, or a child of a United States citizen or of an alien lawfully admitted for permanent residence; or (B) was admitted to the United States between December 22, 1945, and November 1, 1954, both dates inclusive, and misrepresented his nationality, place of birth, identity, or residence in applying for a visa: *Provided*, That such alien described in clause (B) shall establish to the satisfaction of the Attorney General that the misrepresentation was predicated upon the alien's fear of persecution because of race, religion, or political opinion if repatriated to his former home or residence, and was not committed for the purpose of evading the quota restrictions of the immigration laws or an investigation of the alien at the place of his former home, or residence, or elsewhere. After the effective date of this Act, any alien who is the spouse, parent, or child of a United States citizen or of an alien lawfully admitted for permanent residence and who is excludable because (1) he seeks, has sought to procure, or has procured, a visa or other documentation, or entry into the United States, by fraud or misrepresentation, or (2) he admits the commission of perjury in connection therewith, shall hereafter be granted a visa and admitted to the United States for permanent residence, if otherwise admissible, if the Attorney General in his discretion has consented to the alien's applying or reapplying for a visa and for admission to the United States."

section 36(c) of the Alien Registration Act, 1940, or has been convicted of violating or conspiracy to violate any provision of the Act entitled "An Act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes", approved June 8, 1938, as amended, or has been convicted under section 1546 of title 18 of the United States Code;

(6) is or at any time has been, after entry, a member of any of the following classes of aliens:

(A) Aliens who are anarchists;

(B) Aliens who advocate or teach, or who are members of or affiliated with any organization that advocates or teaches, opposition to all organized government;

(C) Aliens who are members of or affiliated with (i) the Communist Party of the United States; (ii) any other totalitarian party of the United States; (iii) the Communist Political Association; (iv) the Communist or any other totalitarian party of any State of the United States, of any foreign state, or of any political or geographical subdivision of any foreign state; (v) any section, subsidiary, branch, affiliate, or subdivision of any such association or party; or (vi) the direct predecessors or successors of any such association or party, regardless of what name such group or organization may have used, may now bear, or may hereafter adopt: *Provided*, That nothing in this paragraph, or in any other provision of this Act, shall be construed as declaring that the Communist Party does not advocate the overthrow of the Government of the United States by force, violence, or other unconstitutional means;

(D) Aliens not within any of the other provisions of this paragraph who advocate the economic, international, and governmental doctrines of world communism or the establishment in the United States of a totalitarian dictatorship, or who are members of or affiliated with any organization that advocates the economic, international, and governmental doctrines of world communism or the establishment in the United States of a totalitarian dictatorship, either through its own utterances or through any written or printed publications issued or published by or with the permission or consent of or under the authority of such organization or paid for by the funds of, or funds furnished by, such organization;

(E) Aliens not within any of the other provisions of this paragraph, who are members of or affiliated with any organization during the time it is registered or required to be registered under section 7 of the Subversive Activities Control Act of 1950, unless such aliens establish that they did not have knowledge or reason to believe at the time they became members of or affiliated with such an organization (and did not thereafter and prior to the date upon which such organization was so registered or so required to be registered have such knowledge or reason to believe) that such organization was a Communist organization;

(F) Aliens who advocate or teach or who are members of or affiliated with any organization that advocates or teaches (i) the overthrow by force, violence, or other unconstitutional means of the Government of the United States or of all forms of law; or (ii) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government, because of his or their official character; or (iii) the unlawful damage, injury, or destruction of property; or (iv) sabotage;

(G) Aliens who write or publish, or cause to be written or published, or who knowingly circulate, distribute, print, or display, or knowingly cause to be circulated, distributed, printed, published, or displayed, or who knowingly have in their possession for the purpose of circulation, publication, distribution, or display, any written or printed matter, advocating or teaching opposition to all organized government or advocating or teaching (i) the overthrow by force, violence, or other unconstitutional means of the Government of the United States or of all forms of law; or (ii) the duty, necessity, or propriety of the unlawful assaulting or killing of any officer or officers (either of specific individuals or of officers generally) of the Government of the United States or of any other organized government, because of his or their official character; or (iii) the unlawful damage, injury, or destruction of property; or (iv) sabotage; or (v) the economic, international, and governmental doctrines of world communism or the establishment in the United States of a totalitarian dictatorship;

(H) Aliens who are members of or affiliated with any organization that writes, circulates, distributes, prints, publishes, or displays, or causes to be written, circulated, distributed, printed, published, or displayed, or that has in its possession for the purpose of circulation, distribution, publication, issue, or display, any written or printed matter of the character described in paragraph (G);

(7) is engaged, or at any time after entry has engaged, or at any time after entry has had a purpose to engage, in any of the activities described in paragraph (27) or (29) of section 212(a), unless the Attorney General is satisfied, in the case of any alien within category (C) of paragraph (29) of such section, that such alien did not have knowledge or reason to believe at the time such alien became a member of, affiliated with, or participated in the activities of the organization (and did not thereafter and prior to the date upon which such organization was registered or required to be registered under section 7 of the Subversive Activities Control Act of 1950 have such knowledge or reason to believe) that such organization was a Communist organization;

* * * * *

(10) entered the United States from foreign contiguous territory or adjacent islands, having arrived there on a vessel or aircraft of a nonsignatory transportation company under section

238(a) and was without the required period of stay in such foreign contiguous territory or adjacent islands following such arrival (other than an alien who is a native-born citizen of any of the countries enumerated in section 101(a) (27) (A) and an alien described in section 101(a) (27) (B)) ;

(11) is, or hereafter at any time after entry has been, a narcotic drug addict, or who at any time has been convicted of a violation of, or a conspiracy to violate, any law or regulation relating to the illicit possession of or traffic in narcotic drugs or marihuana, who has been convicted of a violation of, or a conspiracy to violate, any law or regulation governing or controlling the taxing, manufacture, production, compounding, transportation, sale, exchange, dispensing, giving away, importation, exportation, or the possession for the purpose of the manufacture, production, compounding, transportation, sale, exchange, dispensing, giving away, importation, or exportation of opium, coca leaves, heroin, marihuana, any salt derivative or preparation of opium of coca leaves or isonipecaine or any addiction-forming or addiction-sustaining opiate;

(12) by reason of any conduct, behavior or activity at any time after entry became a member of any of the classes specified in paragraph (12) of section 212(a) ; or is or at any time after entry has been the manager, or is or at any time after entry has been connected with the management, of a house of prostitution or any other immoral place;

* * * * *

(14) at any time after entry, shall have been convicted of possessing or carrying in violation of any law any weapon which shoots or is designed to shoot automatically or semiautomatically more than one shot without manual reloading, by a single function of the trigger, or a weapon commonly called a sawed-off shotgun.

(15) at any time within five years after entry, shall have been convicted of violating the provisions of title I of the Alien Registration Act, 1940 ;

(16) at any time after entry, shall have been convicted more than once of violating the provisions of title I of the Alien Registration Act, 1940 ; or

(17) the Attorney General finds to be an undesirable resident of the United States by reason of any of the following, to wit: has been or may hereafter be convicted of any violation or conspiracy to violate any of the following Acts or parts of Acts or any amendment thereto, the judgment on such conviction having become final, namely: an Act entitled "An Act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes", approved June 15, 1917, or the amendment thereof approved May 16, 1918; sections 791, 792, 793, 794, 2388,

and 3241, title 18, United States Code; an Act entitled "An Act to prohibit the manufacture, distribution, storage, use, and possession in time of war of explosives, providing regulations for the safe manufacture, distribution, storage, use, and possession of the same, and for other purposes", approved October 6, 1917; an Act entitled "An Act to prevent in time of war departure from and entry into the United States contrary to the public safety", approved May 22, 1918; section 215 of this Act; an Act entitled "An Act to punish the willful injury or destruction of war material or of war premises or utilities used in connection with war material, and for other purposes", approved April 20, 1918; sections 2151, 2153, 2154, 2155, and 2156 of title 18, United States Code; an Act entitled "An Act to authorize the President to increase temporarily the Military Establishment of the United States", approved May 18, 1917, or any amendment thereof or supplement thereto; the Selective Training and Service Act of 1940; the Selective Service Act of 1948; the Universal Military Training and Service Act; an Act entitled "An Act to punish persons who make threats against the President of the United States", approved February 14, 1917; section 871 of title 18, United States Code; an Act entitled "An Act to define, regulate, and punish trading with the enemy, and for other purposes", approved October 6, 1917, or any amendment thereof; the Trading With the Enemy Act; section 6 of the Penal Code of the United States; section 2384 of title 18, United States Code; has been convicted of any offense against section 13 of the Penal Code of the United States committed during the period of August 1, 1914, to April 6, 1917, or of a conspiracy occurring within said period to commit an offense under said section 13 or of any offense committed during said period against the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890, in aid of a belligerent in the European war; section 960 of title 18, United States Code; or

(18) has been convicted under section 278 of this Act or under section 4 of the Immigration Act of February 5, 1917.

* * * * *

Sec. 242. Apprehension and Deportation of Aliens.

* * * * *

(f) UNLAWFUL REENTRY.—Should the Attorney General find that any alien has unlawfully reentered the United States after having previously departed or been deported pursuant to an order of deportation, whether before or after June 27, 1952, on any ground described in any of the paragraphs enumerated in subsection (e) of this section the previous order of deportation shall be deemed to be reinstated from its original date and such alien shall be deported under such previous order at any time subsequent to such reentry. For the purposes of subsection (e) of this section the date on which the finding is made that

such reinstatement is appropriate shall be deemed the date of the final order of deportation.

* * * * *

Central File; Information From Other Departments and Agencies

Sec. 290. * * *

(c) The Federal Security Administration² shall notify the Attorney General upon request whenever any alien is issued a social security account number and social security card. The Administrator shall also furnish such available information as may be requested by the Attorney General regarding the identity and location of aliens in the United States.

² See "Administration of the Social Security Act," under Preface, p. V, for change to Secretary of Health, Education, and Welfare.

INTERNAL SECURITY ACT OF 1950

(64 Stat. 987)

TITLE I—SUBVERSIVE ACTIVITIES CONTROL

(Subversive Activities Control Act of 1950) (50 U.S.C. 783)

Certain Prohibited Acts

Sec. 4. (a) It shall be unlawful for any person knowingly to combine, conspire, or agree with any other person to perform any act which would substantially contribute to the establishment within the United States of a totalitarian dictatorship, as defined in paragraph (15) of section 3 of this title, the direction and control of which is to be vested in, or exercised by or under the domination or control of, any foreign government, foreign organization, or foreign individual: *Provided, however,* That this subsection shall not apply to the proposal of a constitutional amendment.

(b) It shall be unlawful for any officer or employee of the United States or of any department or agency thereof, or of any corporation the stock of which is owned in whole or in major part by the United States or any department or agency thereof, to communicate in any manner or by any means, to any other person whom such officer or employee knows or has reason to believe to be an agent or representative of any foreign government or an officer or member of any Communist organization as defined in paragraph (5) of section 3 of this title, any information of a kind which shall have been classified by the President (or by the head of any such department, agency, or corporation with the approval of the President) as affecting the security of the United States, knowing or having reason to know that such information has been so classified, unless such officer or employee shall have been specifically authorized by the President, or by the head of the department, agency, or corporation by which this officer or employee is employed, to make such disclosure of such information.

(c) It shall be unlawful for any agent or representative of any foreign government, or any officer or member of any Communist organization as defined in paragraph (5) of section 3 of this title, knowingly to obtain or receive, or attempt to obtain or receive, directly or indirectly, from any officer or employee of the United States or of any department or agency thereof or of any corporation the stock of which is owned in whole or in major part by the United States or any department or agency thereof, any information of a kind which shall have been classified by the President (or by the head of any such department, agency, or corporation with the approval of the President) as affecting the security of the United States, unless special

authorization for such communication shall first have been obtained from the head of the department, agency, or corporation having custody of or control over such information.

(d) Any person who violates any provision of this section shall, upon conviction thereof, be punished by a fine of not more than \$10,000, or imprisonment for not more than ten years, or by both such fine and such imprisonment, and shall, moreover, be thereafter ineligible to hold any office, or place of honor, profit, or trust created by the Constitution or laws of the United States.

(e) Any person may be prosecuted, tried, and punished for any violation of this section at any time within ten years after the commission of such offense, notwithstanding the provisions of any other statute of limitations: *Provided*, That if at the time of the commission of the offense such person is an officer or employee of the United States or of any department or agency thereof, or of any corporation the stock of which is owned in whole or in major part by the United States or any department or agency thereof, such person may be prosecuted, tried, and punished for any violation of this section at any time within ten years after such person has ceased to be employed as such officer or employee.

(f) Neither the holding of office nor membership in any Communist organization by any person shall constitute per se a violation of subsection (a) or subsection (c) of this section or of any other criminal statute.¹

TITLE II—EMERGENCY DETENTION

(Emergency Detention Act of 1950) (50 U.S.C. 822, 823)

Criminal Provisions

Sec. 112. Whoever, being named in a warrant for apprehension or order of detention as one as to whom there is reasonable ground to believe that he probably will engage in, or conspire with others to engage in, espionage or sabotage, or being under confinement or detention pursuant to this title, shall resist or knowingly disregard or evade apprehension pursuant to this title or shall escape, attempt to escape or conspire with others to escape from confinement or detention ordered and instituted pursuant to this title, shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

Sec. 113. Whoever knowingly—

(a) advises, aids, assists, or procures the resistance, disregard, or evasion of apprehension pursuant to this title by any person named in a warrant or order of detention as one as to whom there is reasonable ground to believe that such person probably will engage in, or conspire with others to engage in espionage or sabotage; or

(b) advises, aids, assists, or procures the escape from confinement or detention pursuant to this title of any person so named; or

¹ P.L. 90-237, sec. 3, enacted January 2, 1968, deleted the following sentence: "The fact of the registration of any person under section 7 or section 8 of this title as an officer or member of any Communist organization shall not be received in evidence against such person in any prosecution for any alleged violation of subsection (a) or subsection (c) of this section or for any alleged violation of any other criminal statute."

(c) aids, relieves, transports, harbors, conceals, shelters, protects, or otherwise assists any person so named for the purpose of the evasion of such apprehension by such person or the escape of such person from such confinement or detention ; or

(d) attempts to commit or conspires with any other person to commit any act punishable under subsections (a), (b), or (c) of this section,

shall be fined not more than \$10,000, or imprisoned not more than ten years, or both.

INTERNATIONAL ORGANIZATIONS IMMUNITIES ACT

(59 Stat. 669) (42 U.S.C. 401 nt)

Section 1. For the purposes of this title, the term "international organization" means a public international organization in which the United States participates pursuant to any treaty or under the authority of any Act of Congress authorizing such participation or making an appropriation for such participation, and which shall have been designated by the President through appropriate Executive order as being entitled to enjoy the privileges, exemptions, and immunities herein provided. The President shall be authorized, in the light of the functions performed by any such international organization, by appropriate Executive order to withhold or withdraw from any such organization or its officers or employees any of the privileges, exemptions, and immunities provided for in this title (including the amendments made by this title) or to condition or limit the enjoyment by any such organization or its officers or employees of such privilege, exemption, or immunity. The President shall be authorized, if in his judgment such action should be justified by reason of the abuse by an international organization or its officers and employees of the privileges, exemptions, and immunities herein provided or for any other reason, at any time to revoke the designation of any international organization under this section, whereupon the international organization in question shall cease to be classed as an international organization for the purposes of this title.

* * * * *

Sec. 5. (b) No tax shall be collected under title VIII or IX of the Social Security Act or under the Federal Insurance Contributions Act or the Federal Unemployment Tax Act, with respect to services rendered prior to January 1, 1946, which are described in paragraph (16) of sections 1426(b) and 1607(c) of the Internal Revenue Code, as amended, and any such tax heretofore collected (including penalty and interest with respect thereto, if any) shall be refunded in accordance with the provisions of law applicable in the case of erroneous or illegal collection of the tax. No interest shall be allowed or paid on the amount of any such refund. No payment shall be made under title II of the Social Security Act with respect to services rendered prior to January 1, 1946, which are described in paragraph (16) of section 209(b) of such Act, as amended.

* * * * *

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1962¹

(P.L. 87-415) (76 Stat. 23) (42 U.S.C. 2571)

TITLE I—MANPOWER REQUIREMENTS, DEVELOPMENT, AND UTILIZATION

Statement of Findings and Purpose

Sec. 101. The Congress finds that there is critical need for more and better trained personnel in many vital occupational categories, including professional, scientific, technical, and apprenticeable categories; that even in periods of high unemployment, many employment opportunities remain unfilled because of the shortages of qualified personnel; and that it is in the national interest that current and prospective manpower shortages be identified and that persons who can be qualified for these positions through education and training be sought out and trained as quickly as is reasonably possible, in order that the Nation may meet the staffing requirements of the struggle for freedom. The Congress further finds that the skills of many persons have been rendered obsolete by dislocations in the economy arising from automation or other technological developments, foreign competition, relocation of industry, shifts in market demands, and other changes in the structure of the economy; that Government leadership is necessary to insure that the benefits of automation do not become burdens of widespread unemployment; that the problem of assuring sufficient employment opportunities will be compounded by the extraordinarily rapid growth of the labor force in the next decade, particularly by the entrance of young people into the labor force, that improved planning and expanded efforts will be required to assure that men, women, and young people will be trained and available to meet shifting employment needs; that many persons now unemployed or underemployed, in order to become qualified for reemployment or full employment must be assisted in providing themselves with skills which are or will be in demand in the labor market; that the skills of many persons now employed are inadequate to enable them to make their maximum contribution to the Nation's economy; and that it is in the national interest that the opportunity to acquire new skills be afforded to these people with the least delay in order to alleviate the hardships of unemployment, reduce the costs of unemployment compensation and public assistance, and to increase the Nation's productivity and its capacity to meet the requirements of the space age. The Congress further finds that many professional employees who have become unemployed because of the specialized nature of their

¹ The Manpower Development and Training Act of 1962 was approved March 15, 1962.

previous employment are in need of brief refresher or reorientation educational courses in order to become qualified for other employment in their professions, where such training would further the purposes of this Act. It is therefore the purpose of this Act to require the Federal Government to appraise the manpower requirements and resources of the Nation, and to develop and apply the information and methods needed to deal with the problems of unemployment resulting from automation and technological changes and other types of persistent unemployment.

Evaluation, Information, and Research

Sec. 102. To assist the Nation in accomplishing the objectives of technological progress while avoiding or minimizing individual hardship and widespread unemployment, the Secretary of Labor shall—

(1) evaluate the impact of, and benefits and problems created by automation, technological progress, and other changes in the structure of production and demand on the use of the Nation's human resources; establish techniques and methods for detecting in advance the potential impact of such developments; develop solutions to these problems, and publish findings pertaining thereto;

(2) establish a program of factual studies of practices of employers and unions which tend to impede the mobility of workers or which facilitate mobility, including but not limited to early retirement and vesting provisions and practices under private compensation plans; the extension of health, welfare, and insurance benefits to laid-off workers; the operation of severance pay plans; and the use of extended leave plans for education and training purposes. A report on these studies shall be included as a part of the Secretary's report required under section 107;

(3) appraise the adequacy of the Nation's manpower development efforts to meet foreseeable manpower needs and recommend needed adjustments, including methods for promoting the most effective occupational utilization of and providing useful work experience and training opportunities for untrained and inexperienced youth;

(4) promote, encourage, or directly engage in programs of information and communication concerning manpower requirements, development, and utilization, including prevention and amelioration of undesirable manpower effects from automation and other technological developments and improvement of the mobility of workers;

(5) arrange, through grants or contracts, for the conduct of such research and investigations as give promise of furthering the objectives of this Act; and

(6) establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized

methods in meeting the manpower, employment, and training problems of worker groups such as the long-term unemployed, disadvantaged youth, displaced older workers, the handicapped, members of minority groups, and other similar groups. In carrying out this subsection the Secretary of Labor shall, where appropriate, consult with the Secretaries of Health, Education, and Welfare, and Commerce, and the Director of the Office of Economic Opportunity. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare. He shall also seek the advice of consultants with respect to the standards governing the adequacy and design of proposals, the ability of applicants, and the priority of projects in meeting the objectives of this Act.

Job Development Programs

Sec. 103. The Secretary of Labor shall stimulate and assist, in cooperation with interested agencies both public and private, job development programs, through on-the-job training and other suitable methods, that will serve to expand employment by the filling of those service and related needs which are not now being met because of lack of trained workers or other reasons affecting employment or opportunities for employment.

Labor Mobility Demonstration Projects

Sec. 104. (a) During the period ending June 30, 1968,² the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment), and are deemed qualified to perform the work for which they are being employed.

(b) Loans or grants provided under this section shall be subject to such terms and conditions as the Secretary shall prescribe, with loans subject to the following limitations:

- (1) there is reasonable assurance of repayment of the loan;
- (2) the credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;
- (3) the amount of the loan, together with other funds available, is adequate to assure achievement of the purposes for which the loan is made;
- (4) the loan bears interest at a rate not less than (A) a rate determined by the Secretary of the Treasury, taking into consid-

² P.L. 89-792, sec. 2(a), approved November 7, 1966, substituted "1968" in lieu of "1967".

eration the average market yield on outstanding Treasury obligations of comparable maturity, plus (B) such additional charge, if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes; and

(5) the loan is repayable within not more than ten years.

(c) Of the funds appropriated for a fiscal year to carry out this Act, not more than \$5,000,000 may be used for the purposes of this section.

Trainee Placement Assistance Demonstration Projects

Sec. 105. During the period ending June 30, 1968,³ the Secretary of Labor shall develop and carry out experimental and demonstration projects to assist in the placement of persons seeking employment through a public employment office who have successfully completed or participated in a federally assisted or financed training, counseling, work training, or work experience program and who, after appropriate counseling, have been found by the Secretary to be qualified and suitable for the employment in question, but to whom employment is or may be denied for reasons other than ability to perform, including difficulty in securing bonds for indemnifying their employers against loss from the infidelity, dishonesty, or default of such persons. In carrying out these projects the Secretary may make payments to or contracts with employers or institutions authorized to indemnify employers against such losses. Of the funds appropriated for a fiscal year to carry out this Act, not more than \$300,000 may be used for purposes of this section.⁴

Skill and Training Requirements

Sec. 106. The Secretary of Labor shall develop, compile, and make available, in such manner as he deems appropriate, information regarding skill requirements, occupational outlook, job opportunities, labor supply in various skills, and employment trends on a National, State, area, or other appropriate basis which shall be used in the educational, training, counseling, and placement activities performed under this Act.

Manpower Report

Sec. 107. The Secretary of Labor shall make such reports and recommendations to the President as he deems appropriate pertaining to manpower requirements, resources, use, and training; and the President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1963) a report pertaining to manpower requirements, resources, utilization, and training.

³ P.L. 89-792, sec. 2(b), enacted November 7, 1966, substituted "1968" in lieu of "1967".

⁴ P.L. 89-792, sec. 2(b), amended the last sentence of section 105 in its entirety. Prior to this amendment, such sentence read: "Of the funds appropriated for fiscal years ending June 30, 1966, and June 30, 1967, not more than \$200,000 and \$300,000, respectively, may be used for the purpose of carrying out this section."

TITLE II—TRAINING AND SKILL DEVELOPMENT PROGRAMS

PART A—DUTIES OF THE SECRETARY OF LABOR

General Responsibility

Sec. 201. In carrying out the purposes of this Act, the Secretary of Labor shall determine the skill requirements of the economy, develop policies for the adequate occupational development and maximum utilization of the skills of the Nation's workers, promote and encourage the development of broad and diversified training programs, including on-the-job training, designed to qualify for employment the many persons who cannot reasonably be expected to secure full-time employment without such training, and to equip the Nation's workers with the new and improved skills that are or will be required. Whenever appropriate, the Secretary of Labor shall coordinate and provide for combinations of programs, to be pursued concurrently or sequentially, under this Act with programs under other Federal Acts, where the purposes of this Act would be accomplished thereby.⁵

Selection of Trainees

Sec. 202. (a) The Secretary of Labor shall provide a program for testing, counseling, and selecting for occupational training under this Act those unemployed or underemployed persons who cannot reasonably be expected to secure appropriate full-time employment without training. Workers in farm families with less than \$1,200 annual net family income shall be considered unemployed for the purpose of this Act.

(b) Whenever appropriate the Secretary shall provide a special program for the testing, counseling, selection, and referral of youths, sixteen years of age or older, for occupational training and further schooling, who because of inadequate educational background and work preparation are unable to qualify for and obtain employment without such training and schooling.

(c) The Secretary of Labor shall provide, where appropriate, a special program of testing, counseling, selection, and referral of persons forty-five years of age or older for occupational training and further schooling designed to meet the special problems faced by such persons in the labor market.⁶

(d) Although priority in referral for training shall be extended to unemployed persons, the Secretary of Labor shall, to the maximum extent possible, also refer other persons qualified for training programs which will enable them to acquire needed skills. Priority in referral for training shall also be extended to persons to be trained

⁵ P.L. 89-794, sec. 1001(a), added last sentence.

⁶ P.L. 89-792, sec. 3(a), enacted November 7, 1966, added subsection (c) and redesignated former subsections (c) through (g) as subsections (d) through (h).

for skills needed within, first, the labor market area in which they reside and, second, within the State of their residence.

(e) The Secretary of Labor shall determine the occupational training needs of referred persons, provide for their orderly selection and referral for training under this Act, and provide counseling and placement services to persons who have completed their training, as well as follow-up studies to determine whether the programs provided meet the occupational training needs of the persons referred.

(f) Before selecting a person for training (other than for training under subsection (j)), the Secretary shall determine that there is a reasonable expectation of employment in the occupation for which the person is to be trained. If such employment is not available in the area in which the person resides, the Secretary shall obtain reasonable assurance of such person's willingness to accept employment outside his area of residence.

(g) The Secretary shall not refer persons for training in an occupation which requires less than two weeks training, unless there are immediate employment opportunities in such occupation.

(h) The duration of any training program to which a person is referred shall be reasonable and consistent with the occupation for which the person is being trained.

(i) Upon certification by the responsible training agency that a person who has been referred for training does not have a satisfactory attendance record or is not making satisfactory progress in such training absent good cause, the Secretary shall forthwith terminate his training and subsistence allowances, and his transportation allowances except such as may be necessary to enable him to return to his regular place of residence after termination of training, and withdraw his referral. Such person shall not be eligible for such allowances for one year thereafter.

(j) Whenever appropriate, the Secretary of Labor may also refer, for the attainment of basic education and communications and employment skills, those eligible persons who indicate their intention to and will thereby be able to pursue, subsequently or concurrently, courses of occupational training of a type for which there appears to be a reasonable expectation of employment, or who have completed or do not need occupational training but do require such other preparation to render them employable. Such referrals shall be considered a referral for training within the meaning of this Act.⁷

(k) The Secretary of Labor may enter into an agreement with the Secretary of Health, Education, and Welfare for the purpose of furthering the objectives of this Act by facilitating the provision of appropriate physical examinations, medical treatment, and prostheses for persons selected or otherwise eligible to be selected for training under this Act. The agreement may provide that where any such person cannot reasonably be expected to pay the cost of the services and the services are not otherwise available without cost to him from any other resource in the community, there may be expended (from sums appropriated to carry out this title and pursuant to arrangements made by the Secretary of Health, Education, and Welfare) not more than an aggregate of \$100 to provide such services to that person. If the Secretary of Health, Education, and Welfare is unable to arrange

for the provision of services under this section, the Secretary of Labor may expend not more than an aggregate of \$100 to provide such services to any one person.⁷

(1) In order to assist in providing qualified workers in areas or in occupations in which there are critical skill shortages the Secretary of Labor shall, in accordance with regulations prescribed by him, provide an experimental program for part-time training of persons, including employed persons, to meet such skill shortages.⁷

Training Allowances

Sec. 203. (a) The Secretary of Labor may, on behalf of the United States, enter into agreements with States under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States, as agents for the United States, to make payment of weekly training allowances to unemployed persons selected for training pursuant to the provisions of section 202 and undergoing such training in a program operated pursuant to the provisions of this Act. Such payments shall be made for a period not exceeding one hundred and four weeks, and the basic amount of any such payment in any week for persons undergoing training, including uncompensated employer-provided training, shall not exceed \$10 more than the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available: *Provided*, That the basic amount of such payments may be increased by \$5 a week for each dependent over two up to a maximum of four additional dependents: *Provided further*, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of his total allowance, including payments for dependents, shall receive an allowance increased by the amount of such excess.

With respect to Guam and the Virgin Islands the Secretary shall by regulation determine the amount of the training allowance to be paid any eligible person taking training under this Act.

With respect to any week for which a person receives unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law which is less than the total training allowance, including payments for dependents, provided for by the preceding paragraph, a supplemental training allowance may be paid to a person eligible for a training allowance under this Act. The supplemental training allowance shall not exceed the difference between his unemployment compensation and the training allowance provided by the preceding paragraph.

For persons undergoing on-the-job training, the amount of any payment which would otherwise be made by the Secretary of Labor under

⁷ P.L. 89-792, section 3(b), enacted November 7, 1966, redesignated former subsection (h) as (i), deleted former subsection 202(i) and added subsections 202(j), (k), and (l). Prior to deletion, former subsection 202(i) read:

"(i) Whenever appropriate, the Secretary of Labor may also refer for the attainment of basic education skills those eligible persons who indicate their intention to, and will thereby be able to, pursue courses of occupational training of a type for which there appears to be reasonable expectation of employment. Such referrals shall be considered a referral for training within the meaning of this Act."

this section shall be reduced by an amount which bears the same ratio to that payment as the number of compensated hours per week under the training program bears to forty hours.

The training allowance of a person engaged in training under section 204 or 231 shall not be reduced on account of employment (other than employment under an on-the-job training program under section 204) which does not exceed twenty hours per week, but shall be reduced in an amount equal to his full earnings for hours worked (other than in employment under such an on-the-job training program) in excess of twenty hours per week.

(b) The Secretary of Labor is authorized to pay to any person engaged in training under this title, including compensated full-time on-the-job training, such sums as he may determine to be necessary to defray transportation expenses, and when such training is provided in facilities which are not within commuting distance of the trainee's regular place of residence, subsistence expenses for separate maintenance of the trainee: *Provided*, That the Secretary in defraying such subsistence expenses shall not afford any individual an allowance exceeding \$35 per week, at the rate of \$5 per day; nor shall the Secretary authorize any transportation expenditure exceeding the rate of 10 cents per mile, except in the case of local transportation where he may authorize reimbursement for the trainee's travel by the most economical mode of public transportation, and except that in noncontiguous States and in areas outside the continental United States where the per diem allowance prescribed under section 836 of title 5, United States Code, exceeds the maximum per diem allowance prescribed under that section for contiguous States, the Secretary may provide for a reasonable increase in the transportation and subsistence expenses in such amounts as he may deem necessary to carry out the purposes of this Act, and subject to such limitations as he may prescribe.

(c) The Secretary of Labor shall pay training allowances only to unemployed persons who have had at least one year⁸ of experience in gainful employment: *Provided*, That he shall not pay training allowances to members of a family or a household in which the head of the family or the head of the household as defined in the Internal Revenue Code of 1954 is employed, unless the Secretary determines that such payments are necessary in order for the trainees to undertake or to continue training: *Provided further*, That no allowances shall be paid to any member of a family or household if the Secretary of Labor determines that the head of such family or household has terminated his employment for the purpose of qualifying such member for training allowances under this section. Notwithstanding the preceding sentence, the Secretary may pay training allowances at a rate not in excess of \$20 a week to youths seventeen years of age or older who require such training allowance in order to undertake training, who are referred for training in accordance with section 202(b), and who are not entitled to allowances under the preceding sentence, except that no such training allowance shall be paid to any such youth who has not graduated from high school, unless the Secretary has satisfied himself that

⁸ P.L. 89-792, section 4(a), enacted November 7, 1966, substituted "one year" in lieu of "two years".

such youth has continuously failed to attend school for a period of not less than one year or⁹ that the local authorities after pursuing all appropriate procedures, including guidance and counseling, have concluded, after considering any assistance available under section 13 of the Vocational Education Act of 1963, that further school attendance by such youth in any regular academic or vocational program is no longer practicable under the circumstances. The number of youths under the age of twenty-two who are receiving training allowances (or who would be entitled thereto but for the receipt of unemployment compensation) shall, except for such adjustments as may be necessary for effective management of programs under this section, not exceed 25 per centum of all persons receiving such allowances (or who would be entitled thereto but for the receipt of unemployment compensation). The Secretary of Labor may authorize continued payments of allowances to any youth who becomes twenty-two years of age during the course of his training, if he has completed a substantial part of such training. Notwithstanding any provision to the contrary in this subsection or in subsection (h), the Secretary may refer any individual who has completed a program under part B of title I of the Economic Opportunity Act of 1964 to training under this Act, and such individual may be paid a training allowance as provided in section 203 (a) of this Act without regard to the requirements imposed on such payments by the preceding sentences of subsection (c) or by subsection (h) of this section. Such payments shall not exceed the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent four-calendar-quarter period for which such data are available. Such persons shall not be deemed youths for the purpose of applying the provision under this subsection limiting the number of youths who may receive training allowances.¹⁰

(d) No training allowance shall be made to any person otherwise eligible who, with respect to the week for which such payment would be made, has received or is seeking unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law, but if the appropriate State or Federal agency finally determines that a person denied training allowances for any week because of this subsection was not entitled to unemployment compensation under title XV of the Social Security Act or such Federal or State law with respect to such week, this subsection shall not apply with respect to such week.

(e) A person who refuses, without good cause, to accept training under this Act shall not, for one year thereafter, be entitled to training allowances.

(f) Any agreement under this section may contain such provisions (including, as far as may be appropriate, provisions authorized or made applicable with respect to agreements concluded by the Secretary of Labor pursuant to title XV of the Social Security Act) as will promote effective administration, protect the United States against loss and insure the proper application of payments made to the State

⁹ P.L. 89-792, section 4 (a), substituted "or" in lieu of "and".

¹⁰ P.L. 89-792, sec. 4 (a), added last three sentences of subsection 203 (c). P.L. 89-794, sec. 1001 (b), reenacted the same three sentences.

under such agreement. Except as may be provided in such agreements, or in regulations hereinafter authorized, determinations by any duly designated officer or agency as to the eligibility of persons for weekly training allowances under this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

(g) (1) If State unemployment compensation payments are paid to a person taking training under this Act and eligible for a training allowance, the State making such payments shall be reimbursed from funds herein appropriated. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the States and such amount shall then be placed in the State's unemployment trust fund account.

(2) If unemployment benefits under the Railroad Unemployment Insurance Act are paid to a person taking training under this Act and eligible for a training allowance, the railroad unemployment insurance account in the unemployment trust fund shall be reimbursed, from funds herein appropriated, for all of such benefits paid. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the Railroad Retirement Board and such amount shall then be placed in the railroad unemployment insurance account.

(h) A person who, in connection with an occupational training program, has received a training allowance or whose unemployment compensation payments were reimbursed under the provisions of this Act or any other Federal Act shall not be entitled to training allowances under this Act for one year after the completion or other termination (for other than good cause) of the training with respect to which such allowance or payment was made unless the Secretary determines that there is good cause to permit an individual referred to further training to receive training allowances so that he may be prepared adequately for full-time employment.¹¹

(i) No training allowance shall be paid to any person who is receiving training for an occupation which requires a training period of less than six days.

(j) To assure the maximum use of training opportunities, the Secretary of Labor is authorized to make, or cause to be made, advance payments of training allowances or a part thereof to individuals selected for training who, because of immediate financial needs for the maintenance of themselves or their dependents pending receipt of training allowances, would otherwise be unable to enter or continue training. The total advance payments to a trainee under this subsection outstanding at any time shall not exceed the amount of the average weekly gross unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the four-calendar-quarter period for which such data are available most immediately prior to the commencement of training by such trainee. Such advance payments shall

¹¹ P.L. 89-792, sec. 4(b), inserted "unless the Secretary determines that there is good cause to permit an individual referred to further training to receive training allowances so that he may be prepared adequately for full-time employment."

be repaid either through deductions from training allowances or through other arrangements with such trainee.¹²

(k) Under such standards as the Secretary of Labor may find appropriate to achieve the purposes of subsection 202(1), an individual referred to part-time training under such section shall be paid an amount not to exceed \$10 with respect to each week in which he is engaged in such training and such payment shall be in lieu of any other payments to which he may otherwise be entitled under this section.¹²

(1) (1) No training allowance shall be paid to any person for any period for which a money payment has been made with respect to the need of that person under a State plan which has been approved under title I, IV, X, XIV, or XVI of the Social Security Act and which meets the requirements of the first sentence of paragraph (2) of this subsection. The Secretary of Labor is authorized to pay to any such person (A) such sums as the Secretary determines to be necessary to defray expenses of that person which are attributable to training pursuant to the provisions of this Act, and (B) a training incentive payment of not more than \$20 per week. Persons receiving payments under the preceding sentence shall be counted for purposes of the third sentence of section 203(c) as though they were receiving training allowances.

(2) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that no payment made to any person pursuant to paragraph (1) of this subsection shall be regarded (A) as income or resources of that person in determining his need under such approved State plan, or (B) as income or resources of any other person in determining the need of that other person under such approved State plan. No funds to which a State is otherwise entitled under title I, IV, X, XIV, or XVI of the Social Security Act for any period before the first month beginning after the adjournment of the State's first regular legislative session which adjourns more than sixty days after the enactment of this subsection shall be withheld by reason of any action taken pursuant to a State statute which prevents such State from complying with the requirements of this paragraph.¹²

On-the-Job Training

Sec. 204. (a) The Secretary of Labor shall encourage, develop, and secure the adoption of programs for on-the-job training needed to equip persons selected for training with the appropriate skills. The Secretary shall, to the maximum extent possible, secure the adoption by the States and by private and public agencies, employers, trade associations, labor organizations and other industrial and community groups which he determines are qualified to conduct effective training programs under this title of such programs as he approves, and for this purpose he is authorized to enter into appropriate agreements with them.

¹² P.L. 89-792, sec. 4(c), enacted November 7, 1966, added subsections 203(j), (k), and (l).

(b) In adopting or approving any training program under this part, and as a condition to the expenditure of funds for any such program, the Secretary shall make such arrangements as he deems necessary to insure adherence to appropriate training standards, including assurances—

(1) that the training content of the program is adequate, involves reasonable progression, and will result in the qualification of trainees for suitable employment;

(2) that the training period is reasonable and consistent with periods customarily required for comparable training;

(3) that adequate and safe facilities, and adequate personnel and records of attendance and progress are provided; and

(4) that the trainees are compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations hereinafter authorized, considering such factors as industry, geographical region, and trainee proficiency.

(c) Where on-the-job training programs under this part require supplementary classroom instruction, appropriate arrangements for such instruction shall be agreed to by the Secretary of Health, Education, and Welfare and the Secretary of Labor.

Advisory Committees

Sec. 205. (a) The Secretary shall appoint a National Advisory Committee which shall consist of ten members and shall be composed of representatives of labor, management, agriculture, education, and training, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(b) For the purpose of making expert assistance available to persons formulating and carrying on programs under this title the Secretary shall, where appropriate, require the organization on a community, State, and/or regional basis of labor-management-public advisory committees.

(c) The National Advisory Committee may accept gifts or bequests, either for carrying out specific programs or for its general activities or for its responsibilities under subsection (b) of this section.

(d) Appointed members of the National Advisory Committee shall be paid compensation at the rate of \$50 per diem when engaged in the work of the National Advisory Committee, including travel time, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 73b-2) for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

(e) (1) Any member of the National Advisory Committee is hereby exempted, with respect to such appointment, from the operation of sections 281, 283, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes (5 U.S.C. 99), except as otherwise specified in paragraph (2) of this subsection.

(2) The exemption granted by paragraph (1) of this subsection shall not extend—

(A) to the receipt or payment of salary in connection with the appointee's Government service from any source other than the private employer of the appointee at the time of his appointment, or

(B) during the period of such appointment, to the prosecution or participation in the prosecution, by any person so appointed, of any claim against the Government involving any matter with which such person, during such period, is or was directly connected by reason of such appointment.

State Agreements

Sec. 206. (a) The Secretary of Labor is authorized to enter into an agreement with each State, or with the appropriate agency of each State, pursuant to which the Secretary of Labor may, for the purpose of carrying out his functions and duties under this title, utilize the services of the appropriate State agency and, notwithstanding any other provision of law, may make payments to such State or appropriate agency for expenses incurred for such purposes.

(b) Any agreement under this section may contain such provisions as will promote effective administration, protect the United States against loss and insure that the functions and duties to be carried out by the appropriate State agency are performed in a manner satisfactory to the Secretary.

Rules and Regulations

Sec. 207. The Secretary of Labor shall prescribe such rules and regulations as he may deem necessary and appropriate to carry out the provisions of this part.

Sec. 208. [Repealed.] ¹³

PART B—DUTIES OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

General Responsibility

Sec. 231. The Secretary of Health, Education, and Welfare shall, pursuant to the provisions of this title, enter into agreements with States under which the appropriate State ^{13a} education agencies will

¹³ This section was repealed by sec. 7 of P.L. 89-15, enacted April 26, 1965. Prior to repeal this section read:

"Labor Mobility Demonstration Projects"

"Sec. 208. During the period ending June 30, 1965, the Secretary of Labor shall develop and carry out, in a limited number of geographical areas, pilot projects designed to assess or demonstrate the effectiveness in reducing unemployment of programs to increase the mobility of unemployed workers by providing assistance to meet their relocation expenses. In carrying out such projects the Secretary may provide such assistance, in the form of grants or loans, or both, only to involuntarily unemployed individuals who cannot reasonably be expected to secure full-time employment in the community in which they reside, have bona fide offers of employment (other than temporary or seasonal employment) and are deemed qualified to perform the work for which they are being employed. Where such assistance is provided in the form of grants, such grants may not exceed 50 per centum of the expenses incurred reasonably necessary to the transportation of the person who is relocating, and his family, and their household effects. Where such assistance is provided in the form of loans, or a combination of loans and grants, the total amount thereof may not exceed 100 per centum of such expenses and shall be made subject to such terms and conditions as the Secretary may prescribe. Of the funds appropriated for a fiscal year to carry out this title, not more than 2 per centum thereof, or \$4,000,000, whichever is the lesser, may be used for the purposes of this section."

^{13a} P.L. 89-792, sec. 5(a), enacted November 7, 1966, deleted "vocational".

undertake to provide training needed to equip persons referred to the Secretary of Health, Education, and Welfare by the Secretary of Labor pursuant to section 202, for the occupations specified in the referrals, except that with respect to education to be provided pursuant to referrals under subsection (b) or (i) of section 202, the Secretary of Health, Education, and Welfare may make arrangements for the provision of the education to be provided under such subsection through other appropriate education agencies. Such State agencies shall provide for such training through public educational agencies or institutions or through arrangements with private educational or training institutions where such private institutions can provide equipment or services not available in public institutions, particularly for training in technical and subprofessional occupations, or where such institutions can, at comparable cost, (1) provide substantially equivalent training, or (2) make possible an expanded use of the individual referral method, or (3) aid in reducing more quickly unemployment or current and prospective manpower shortages. The State agency shall be paid not more than 90 per centum of the cost to the State of carrying out the agreement, unless the Secretary of Health, Education, and Welfare determines that payments in excess of 90 per centum are necessary because such payments with respect to private institutions or programs carried out in conjunction with programs or projects under section 102(6)¹⁴ are required to give full effect to the purposes of the Act: *Provided*, That for the period ending June 30, 1966, the State agency shall be paid 100 per centum of the cost to the State of carrying out the agreement. Non-Federal contributions may be in cash or kind, fairly evaluated, including but not limited to plant, equipment, and services. Such agreements shall contain such other provisions as will promote effective administration (including provision (1) for reports on the attendance and performance of trainees, (2) for immediate certification to the Secretary of Labor by the responsible training agency with respect to each person referred for training who does not have a satisfactory attendance record or is not making satisfactory progress in such training absent good cause, and (3) for continuous supervision of the training programs conducted under the agreement to insure the quality and adequacy of the training provided), protect the United States against loss, and assure that the functions and duties to be carried out by such State agency are performed in such fashion as will carry out the purposes of this title. The Secretary of Health, Education, and Welfare shall give preference to training and education provided through State vocational education agencies and other State education agencies. However, in any case in which he determines that it would permit persons to begin their training or education within a shorter period of time, or permit the needed training or education to be provided more economically, or more effectively, he may provide the needed training or education by agreement or contract made directly with public or private training or educational facilities or

¹⁴ P.L. 89-792, sec. 5(b), enacted November 7, 1966, added "or programs carried out in conjunction with programs or projects under section 102(6)".

through such other arrangements as he deems necessary to give full effect to this Act.¹⁵

Rules and Regulations

Sec. 232. The Secretary of Health, Education, and Welfare may prescribe such rules and regulations as he may deem necessary and appropriate to carry out the provisions of this part.

Annual Report¹⁶

Sec. 233. Prior to April first of each year, the Secretary of Health, Education, and Welfare shall make an annual report to Congress. Such report shall contain an evaluation of the programs under section 231, the need for continuing such programs, and recommendations for improvement. The reports shall also contain progress reports on the vocational training study which will be conducted under the supervision of the Secretary during 1966 and 1967.

PART C—REDEVELOPMENT AREAS

Sec. 241. The Secretaries of Labor and of Health, Education, and Welfare, in accordance with their respective responsibilities under parts A and B of this title, are authorized to provide a supplementary program of training and training allowances, in consultation with the Secretary of Commerce, for unemployed and underemployed persons residing in areas designated as redevelopment areas by the Secretary of Commerce under the Area Redevelopment Act or any subsequent Act authorizing such designation. Such program shall be carried out by the Secretaries of Labor and of Health, Education, and Welfare in accordance with the provisions otherwise applicable to programs under this Act and with their respective functions under those provisions, except that—

(1) the Secretary of Labor, in consultation with the Secretary of Commerce, shall determine the occupational training or retraining needs of unemployed or underemployed individuals residing in redevelopment areas;

(2) all unemployed or underemployed individuals residing in redevelopment areas who can reasonably be expected to obtain employment as a result of such training may be referred and selected for training and shall be eligible for training allowances under this section: *Provided*, That the amount and duration of training allowances under this section shall in no event exceed the amount and duration of training allowances provided under section 203(a) of this Act;

¹⁵ P.L. 89-792, sec. 5(a), substituted the last two sentences of section 231 in lieu of the former last sentence. Prior to this amendment, the last sentence of section 231 read: "In the case of any State which does not enter into an agreement under this section, and in the case of any training which the State agency does not provide under such an agreement, the Secretary of Health, Education, and Welfare may provide the needed training by agreement or contract with public or private educational or training institutions."

¹⁶ P.L. 89-792, sec. 8(b), enacted November 7, 1966, added section 233.

(3) the Secretaries of Labor and of Health, Education, and Welfare shall, each with respect to his functions under this section, prescribe jointly with the Secretary of Commerce such rules and regulations as may be necessary to carry out the purposes of this section; and

(4) no funds available under this section shall be apportioned to any State pursuant to section 301 of this Act, nor shall any matching funds be required.

PART D—CORRECTIONAL INSTITUTIONS¹⁷

Sec. 251. Without regard to any other provision of this title or section 301 of this Act, the Secretary of Labor shall, during the period ending June 30, 1969, develop and carry out experimental and demonstration programs of training and education for persons in correctional institutions who are in need thereof to obtain employment upon release. Arrangements for such education and training shall be made by the Secretary of Health, Education, and Welfare after consultation with the appropriate area manpower development and training advisory committee. Programs under this part shall be conducted through agreements with officials of Federal, State, and local correctional institutions. To the fullest extent practicable, the Secretary of Labor shall utilize the available services of other Federal departments and agencies. Programs under this part may include vocational education; special job development and placement activities; prevocational, basic, and secondary education, and counseling, where appropriate; supportive and followup services and such other assistance as is deemed necessary.

PART E—WORK EXPERIENCE AND TRAINING PROGRAMS¹⁸

Sec. 261. (a) The Secretary of Labor in cooperation with the Secretary of Health, Education, and Welfare shall provide, under this part, programs for needy persons who require work experience or special family and supportive services, as well as training, in order that they may be assisted to secure and hold regular employment in a competitive labor market. Such programs shall—

(1) provide for the selection of participants pursuant to procedures and criteria jointly prescribed by the Secretary of Labor and the Secretary of Health, Education, and Welfare;

(2) include pretraining services and basic maintenance, health, family and day care, counseling, and similar social services, and basic education, as provided by the Secretary of Health, Education, and Welfare pursuant to section 502 of the Economic Opportunity Act of 1964, as amended;

(3) provide through agreements with appropriate public or private nonprofit agencies, work experience to the extent required to assist participants in developing necessary work attitudes or to prepare them for work or training involving the acquisition of needed skills;

¹⁷ P.L. 89-792, sec. 6(a), enacted November 7, 1966, added Part D.

¹⁸ P.L. 89-794, sec. 1001(c), added Part E.

(4) provide testing, counseling, training either on or off the job (including classroom instruction where needed through appropriate arrangements agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare), to assist participants to develop their occupational potential, improve their occupational level and secure promotion or advancement;

(5) provide, through appropriate arrangements with employers, labor organizations, and other public and private agencies, for development where needed of additional employment opportunities for participants for job referral and follow-up services required to assist participants in securing and retaining employment and securing possibilities for advancement; and

(6) provide, in accordance with the criteria prescribed in section 104 of this Act, relocation assistance to involuntarily unemployed individuals where the Secretary of Labor determines they cannot reasonably be expected to secure full-time employment in the community in which they reside.

(b) In developing and approving programs under this part, the Secretary of Labor shall give priority to programs with a high-training potential and which afford the best prospects for contributing to the upward mobility of participants.

(c) Notwithstanding any other provisions of this Act, the provisions of section 503 of the Economic Opportunity Act of 1964, as amended, shall govern the use and apportionment among the several States of funds provided pursuant to such Act for the purpose of carrying out this part.

TITLE III—MISCELLANEOUS

Apportionment of Benefits

Sec. 301. For the purpose of effecting an equitable apportionment of Federal expenditures among the States in carrying out the programs authorized under parts A and B of title II of this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall apportion 80 per centum of the funds available for such purposes¹⁹ in accordance with uniform standards and in arriving at such standards shall consider only the following factors: (1) the proportion which the labor force of a State bears to the total labor force of the United States, (2) the proportion which the unemployed in a State during the preceding calendar year bears to the total number of unemployed in the United States in the preceding calendar year, (3) the lack of appropriate full-time employment in the State, (4) the proportion which the insured unemployed within a State bears to the total number of insured employed within such State, and (5) the average weekly unemployment compensation benefits paid by the State. The remaining 20 per centum may be expended by the Secretary of Labor and the Secretary of Health, Education, and Welfare as they find necessary or appropriate to carry out the purposes of title II.²⁰

¹⁹ P.L. 89-792, sec. 7, enacted November 7, 1966, inserted "parts A and B of" and substituted "apportion 80 per centum of the funds available for such purposes" in lieu of "make such apportionment".

²⁰ P.L. 89-792, sec. 7, enacted November 7, 1966, inserted the second sentence.

The Secretary of Labor and the Secretary of Health, Education, and Welfare are authorized to make reapportionments from time to time where the total amounts apportioned under this section have not been fully obligated in a particular State, or where the State or appropriate agencies in the State have not entered into the necessary agreements, and the Secretaries find that any other State is in need of additional funds to carry out the programs authorized by this Act: *Provided*, That no funds apportioned with respect to a State in any fiscal year shall be reapportioned before the expiration of the sixth month of such fiscal year and only upon 30 days' prior notice to such State of the proposed reapportionment, except that the requirement for prior notice shall not apply with respect to any reapportionment made during the last quarter of the fiscal year.

Maintenance of State Effort

Sec. 302. No training program which is financed in whole or in part by the Federal Government under this Act shall be approved unless the Secretary of Labor, if the program is authorized under part A of title II, or the Secretary of Health, Education, and Welfare, if the program is authorized under part B of title II, satisfies himself that neither the State nor the locality in which the training is carried out has reduced or is reducing its own level of expenditures for vocational education and training, including program operation under provisions of the Smith-Hughes Vocational Education Act, titles I, II, and III of the Vocational Education Act of 1946, and the Vocational Education Act of 1963, except for reductions unrelated to the provisions or purposes of this Act.

Other Agencies and Departments

Sec. 303. (a) In the performance of their functions under this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare, in order to avoid unnecessary expense and duplication of functions among Government agencies, shall use the available services or facilities of other agencies and instrumentalities of the Federal Government, under conditions specified in section 306(a). Each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary of Labor and the Secretary of Health, Education, and Welfare and, to the extent permitted by law, to provide such services and facilities as either may request for his assistance in the performance of his functions under this Act.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall carry out their responsibilities under this Act through the maximum utilization of all possible resources for skill development available in industry, labor, public and private educational and training institutions, State, Federal, and local agencies, and other appropriate public and private organizations and facilities.

Appropriations Authorized

Sec. 304. (a) For the purposes of carrying out title I, there are hereby authorized to be appropriated not in excess of \$46,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

(b) For the purpose of carrying out parts A and B of title II, there are hereby authorized to be appropriated not in excess of \$385,000,000 for the fiscal year ending June 30, 1966, and for each fiscal year thereafter such amounts as may be necessary.

(c) For the purpose of carrying out part C of title II, there are hereby authorized to be appropriated not in excess of \$22,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

(d) For the purpose of carrying out part D of title II, there are hereby authorized to be appropriated for the fiscal year ending June 30, 1968, and for the fiscal year ending June 30, 1969, such amounts as may be necessary.²¹

(e) For the purpose of carrying out title III, there are hereby authorized to be appropriated not in excess of \$1,000,000 for the fiscal year ending June 30, 1966, and for each year thereafter such amounts as may be necessary.

Limitations on Use of Appropriated Funds

Sec. 305. (a) Funds appropriated under the authorization of this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

(b) Any equipment and teaching aids purchased by a State or local education agency with funds appropriated to carry out the provisions of part B shall become the property of the State.

(c) No portions of the funds to be used under part B of this Act shall be appropriated directly or indirectly to the purchase, erection, or repair of any building except for minor remodeling of a public building necessary to make it suitable for use in training under part B.

(d) Funds appropriated under this Act shall remain available for one fiscal year beyond that in which appropriated.

(e) The costs of all training programs approved in any fiscal year, including the total cost of training allowances for such programs, may be paid from funds appropriated for such purposes for that fiscal year; and the amount of the Federal payment shall be computed on the basis of the per centum requirement in effect at the time such programs are approved: *Provided*, That funds appropriated for the fiscal year ending June 30, 1966, may be expended for training programs approved under this Act prior to July 1, 1965.

Authority To Contract

Sec. 306. (a) The Secretary of Labor and the Secretary of Health, Education, and Welfare may make such contracts or agreements, establish such procedures, including (subject to such policies, rules, and regulations as they may prescribe) the approval of any program under section 202, the cost of which does not exceed \$75,000, and make such payments, either in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this Act, as they deem necessary to carry out the provisions of this Act.

²¹ P.L. 89-792, sec. 6(b), enacted November 7, 1966, added subsection (d) and redesignated former subsection (d) as subsection (e).

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall not use any authority conferred by this Act to assist in relocating establishments from one area to another. Such limitation shall not prohibit assistance to a business entity in the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary of Labor finds that assistance will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless he has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

Selection and Referral

Sec. 307. The selection of persons for training under this Act and for placement of such persons shall not be contingent upon such person's membership or nonmembership in a labor organization.

Definition

Sec. 308. For the purposes of this Act, the term "State" includes the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

Sec. 309.²² [Repealed.]

Termination of Authority

Sec. 310. (a) All authority conferred under title II of this Act shall terminate at the close of June 30, 1969.

(b) Notwithstanding the foregoing, the termination of title II shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment or other obligation entered into prior to the date of such termination: *Provided*, That no disbursement of funds shall be made pursuant to the authority conferred under title II of this Act after December 30, 1969.

²²P.L. 89-792, sec. 8(a), enacted November 7, 1966, repealed former section 309. Prior to repeal, section 309 read:

"Sec. 309. (a) Prior to April 1 in each year, the Secretary of Labor shall make a report to Congress. Such report shall contain an evaluation of the programs under title I and part A of title II, including the number of persons trained and the number and types of training activities under this Act, the number of unemployed or underemployed persons who have secured full-time employment as a result of such training, and the nature of such employment, the need for continuing such programs, and recommendations for improvement.

"(b) Prior to April 1 in each year, the Secretary of Health, Education, and Welfare shall also make a report to Congress. Such report shall contain an evaluation of the programs under part B of title II, the need for continuing such programs, and recommendations for improvement. The first such report shall also contain the results of the vocational training survey which is presently being conducted under the supervision of the Secretary."

PEACE CORPS ACT

(P.L. 87-293 (75 Stat. 612), Approved September 22, 1961) (22 U.S.C. 2504)

Peace Corps Volunteers

Sec. 5. (a) The President may enroll in the Peace Corps for service abroad qualified citizens and nationals of the United States (referred to in this Act as "volunteers"). The terms and conditions of the enrollment, training, compensation, hours of work, benefits, leave, termination, and all other terms and conditions of the service of volunteers shall be exclusively those set forth in this Act and those consistent therewith which the President may prescribe; and, except as provided in this Act, volunteers shall not be deemed officers or employees or otherwise in the service or employment of, or holding office under, the United States for any purpose. In carrying out this subsection no political test shall be required or taken into consideration, nor shall there be any discrimination against any person on account of race, creed, or color.

(b) Volunteers shall be provided with such living, travel, and leave allowances, and such housing, transportation, supplies, equipment, subsistence, and clothing as the President may determine to be necessary for their maintenance and to insure their health and their capacity to serve effectively. Supplies or equipment provided volunteers to insure their capacity to serve effectively may be transferred to the government or to other entities of the country or area with which they have been serving, when no longer necessary for such purpose, and when such transfers would further the purposes of this Act. Transportation and travel allowances may also be provided, in such circumstances as the President may determine, for applicants for enrollment to or from places of training and places of enrollment, and for former volunteers from places of termination to their homes in the United States.

(c) Volunteers shall be entitled to receive a readjustment allowance at a rate not to exceed \$75 for each month of satisfactory service as determined by the President. The readjustment allowance of each volunteer shall be payable on his return to the United States: *Provided, however,* That, under such circumstances as the President may determine, the accrued readjustment allowance, or any part thereof, may be paid to the volunteer, members of his family or others, during the period of his service, or prior to his return to the United States. In the event of the volunteer's death during the period of his service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of the Act of August 3, 1950, Chap. 518, section 1 (5 U.S.C. 61f). For purposes of the Internal Revenue Code of 1954 (26 U.S.C.), a volunteer shall be deemed to be paid and

to receive each amount of a readjustment allowance to which he is entitled after December 31, 1964, when such amount is transferred from funds made available under this Act to the fund from which such readjustment allowance is payable.

(d) Volunteers shall be deemed to be employees of the United States Government for the purposes of the Federal Employees' Compensation Act (39 Stat. 742), as amended: *Provided, however*, That entitlement to disability compensation payments under that Act shall commence on the day after the date of termination of service. For the purposes of that Act—

(1) volunteers shall be deemed to be receiving monthly pay at the lowest rate provided for grade 7 of the general schedule established by the Classification Act of 1949, as amended, and volunteer leaders (referred to in section 6 of this Act) shall be deemed to be receiving monthly pay at the lowest rate provided for grade 11 of such general schedule; and

(2) any injury suffered by a volunteer during any time when he is located abroad shall be deemed to have been sustained while in the performance of his duty and any disease contracted during such time shall be deemed to have been proximately caused by his employment, unless such injury or disease is caused by willful misconduct of the volunteer or by the volunteer's intention to bring about the injury or death of himself or of another, or unless intoxication of the injured volunteer is the proximate cause of the injury or death.

(e) Volunteers shall receive such health care during their service, applicants for enrollment shall receive such health examinations preparatory to their service, applicants for enrollment who have accepted an invitation to begin a period of training under section 8(a) of this Act shall receive such immunization and dental care preparatory to their service, and former volunteers shall receive such health examinations within six months after termination of their service, as the President may deem necessary or appropriate. Subject to such conditions as the President may prescribe, such health care may be provided in any facility of any agency of the United States Government, and in such cases the appropriation for maintaining and operating such facility shall be reimbursed from appropriations available under this Act.

(f) (1) Any period of satisfactory service of a volunteer under this Act shall be credited in connection with subsequent employment in the same manner as a like period of civilian employment by the United States Government—

(A) for the purposes of the Civil Service Retirement Act, as amended (5 U.S.C. 2251, et seq.), section 852(a)(1) of the Foreign Service Act of 1946, as amended (22 U.S.C. 1092(a)(1)), and every other Act establishing a retirement system for civilian employees of any United States Government agency; and

(B) except as otherwise determined by the President, for the purposes of determining seniority, reduction in force, and lay-off rights, leave entitlement, and other rights and privileges based upon length of service under the laws administered by the Civil Service Commission, the Foreign Service Act of 1946, and

every other Act establishing or governing terms and conditions of service of civilian employees of the United States Government: *Provided*, That service of a volunteer shall not be credited toward completion of any probationary or trial period or completion of any service requirement for career appointment.

(2) For the purposes of paragraph (1) (A) of this subsection, volunteers and volunteer leaders shall be deemed to be receiving compensation during their service at the respective rates of readjustment allowances payable under sections 5(c) and 6(1) of this Act.

(g) The President may detail or assign volunteers or otherwise make them available to any entity referred to in paragraph (1) of section 10(a) on such terms and conditions as he may determine: *Provided*, That not to exceed two hundred volunteers may be assigned to carry out secretarial or clerical duties on the staffs of the Peace Corps representatives abroad: *Provided, however*, That any volunteer so detailed or assigned shall continue to be entitled to the allowances, benefits and privileges of volunteers authorized under or pursuant to this Act.

(h) Volunteers shall be deemed employees of the United States Government for the purposes of the Federal Tort Claims Act and any other Federal tort liability statute, the Federal Voting Assistance Act of 1955 (5 U.S.C. 2171 et seq.), the Act of June 4, 1954, chapter 264, section 4 (5 U.S.C. 73b-5), the Act of December 23, 1944, chapter 716, section 1, as amended (31 U.S.C. 492a), and section 1 of the Act of June 4, 1920 (41 Stat. 750), as amended (22 U.S.C. 214).

(i) The service of a volunteer may be terminated at any time at the pleasure of the President.

(j) Upon enrollment in the Peace Corps, every volunteer shall take the oath prescribed for persons appointed to any office of honor or profit by section 1757 of the Revised Statutes of the United States, as amended (5 U.S.C. 16), and shall swear (or affirm) that he does not advocate the overthrow of our constitutional form of government in the United States, and that he is not a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates.

(k) In order to assure that the skills and experience which former volunteers have derived from their training and their service abroad are best utilized in the national interest, the President may, in co-operation with agencies of the United States, private employers, educational institutions and other entities of the United States, undertake programs under which volunteers would be counseled with respect to opportunities for further education and employment.

(l) Notwithstanding any other provision of law, counsel may be employed and counsel fees, court costs, bail, and other expenses incident to the defense of volunteers may be paid in foreign judicial or administrative proceedings to which volunteers have been made parties.¹

Sec. 6. The President may enroll in the Peace Corps qualified citizens or nationals of the United States whose services are required for

¹ P.L. 89-572, sec. 2(a), enacted September 13, 1966, added subsection (1). Section 2(b) provided that the authority contained in subsection (1) shall extend to counsel fees, costs, and other expenses of the types specified therein that were incurred prior to September 13, 1966.

supervisory or other special duties or responsibilities in connection with programs under this Act (referred to in this Act as "volunteer leaders"). The ratio of the total number of volunteer leaders to the total number of volunteers in service at any one time shall not exceed one to twenty-five. Except as otherwise provided in this Act, all of the provisions of this Act applicable to volunteers shall be applicable to volunteer leaders, and the term "volunteers" shall include "volunteer leaders": *Provided, however, That—*

(1) volunteer leaders shall be entitled to receive a readjustment allowance at a rate not to exceed \$125 for each month of satisfactory service as determined by the President;

(2) spouses and minor children of volunteer leaders may receive such living, travel, and leave allowances and such housing, transportation, subsistence, and essential special items of clothing, as the President may determine, but the authority contained in this paragraph shall be exercised only under exceptional circumstances;

(3) spouses and minor children of volunteer leaders accompanying them, and a married volunteer's child if born during the volunteer's service, may receive such health care as the President may determine and upon such terms as he may determine, including health care in any facility referred to in section 5(e) of this Act, subject to such conditions as the President may prescribe and subject to reimbursement of appropriations as provided in section 5(e); and

(4) spouses and minor children of volunteer leaders accompanying them may receive such orientation, language, and other training necessary to accomplish the purposes of this Act as the President may determine.

* * * * *

Sec. 16. [Repealed.] ²

² P.L. 89-572, sec. 5(a), repealed section 16. Sec. 5(b) provided: "... All determinations, authorization, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of the provisions of law repealed by subsection (a) shall continue in full force and effect until modified by appropriate authority."

Prior to repeal, section 16 read as follows:

"Appointment of Persons Serving Under Prior Law

"Sec. 16. (a) Under such terms and conditions as the President may prescribe, volunteer personnel who on the effective date of this Act have been engaged by contract by, or pursuant to agreement with, the Peace Corps agency established within the Department of State pursuant to Executive Order Numbered 10924, dated March 1, 1961, may be enrolled as volunteers or volunteer leaders under this Act. Such enrollment may be made effective, for any or all purposes, as of a date prior to the effective date of this Act but not earlier than the date of commencement of training of the person in question. All allowances and termination payments similar to those authorized by this Act received by any such person or by members of his family or payable with respect to any period between the effective date and the actual date of such enrollment shall be deemed for all purposes to have been received or to be payable under the appropriate provision of this Act.

"(b) Any person who was appointed by and with the advice and consent of the Senate to be Director of the Peace Corps prior to the enactment of this Act may be appointed by the President to be Director of the Peace Corps under section 4(a) of this Act without further action by the Senate."

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965¹

P.L. 89-136 (79 Stat. 552) (42 U.S.C. 3121, 3161)

Statement of Purpose

Sec. 2. The Congress declares that the maintenance of the national economy at a high level is vital to the best interests of the United States, but that some of our regions, counties, and communities are suffering substantial and persistent unemployment and underemployment; that such unemployment and underemployment cause hardship to many individuals and their families, and waste invaluable human resources; that to overcome this problem the Federal Government, in cooperation with the States, should help areas and regions of substantial and persistent unemployment and underemployment to take effective steps in planning and financing their public works and economic development; that Federal financial assistance, including grants for public works and development facilities to communities, industries, enterprises, and individuals in areas needing development should enable such areas to help themselves achieve lasting improvement and enhance the domestic prosperity by the establishment of stable and diversified local economies and improved local conditions, provided that such assistance is preceded by and consistent with sound, long-range economic planning; and that under the provisions of this Act new employment opportunities should be created by developing and expanding new and existing public works and other facilities and resources rather than by merely transferring jobs from one area of the United States to another.

* * * * *

TITLE IV—AREA AND DISTRICT ELIGIBILITY

PART A—REDEVELOPMENT AREAS

Area Eligibility

Sec. 401. (a) The Secretary shall designate as “redevelopment areas”—

(1) those areas in which he determines, upon the basis of standards generally comparable with those set forth in paragraphs (A) and (B), that there has existed substantial and persistent unemployment for an extended period of time and those areas in which he determines there has been a substantial loss of population due to lack of employment opportunity. There shall be included among the areas so designated any area—

¹ P.L. 89-136 was enacted on August 26, 1965.

(A) where the Secretary of Labor finds that the current rate of unemployment, as determined by appropriate annual statistics for the most recent available calendar year, is 6 per centum or more and has averaged at least 6 per centum for the qualifying time periods specified in paragraph (B); and

(B) where the Secretary of Labor finds that the annual average rate of unemployment has been at least—

(i) 50 per centum above the national average for three of the preceeding four calendar years, or

(ii) 75 per centum above the national average for two of the preceding three calendar years, or

(iii) 100 per centum above the national average for one of the preceding two calendar years.

The Secretary of Labor shall find the facts and provide the data to be used by the Secretary in making the determinations required by this subsection;

(2) those additional areas which have a median family income not in excess of 40 per centum of the national median, as determined by the most recent available statistics for such areas;

(3) those additional Federal or State Indian reservations or trust or restricted Indian-owned land areas which the Secretary, after consultation with the Secretary of the Interior or an appropriate State agency, determines manifest the greatest degree of economic distress on the basis of unemployment and income statistics and other appropriate evidence of economic underdevelopment;

(4) upon request of such areas, those additional areas in which the Secretary determines that the loss, removal, curtailment, or closing of a major source of employment has caused within three years prior to, or threatens to cause within three years after, the date of the request an unusual and abrupt rise in unemployment of such magnitude that the unemployment rate for the area at the time of the request exceeds the national average, or can reasonably be expected to exceed the national average, by 50 per centum or more unless assistance is provided. Notwithstanding any provision of subsection 401(b) to the contrary, an area designated under the authority of this paragraph may be given a reasonable time after designation in which to submit the overall economic development program required by subsection 202(b) (10) of this Act;

(5) notwithstanding any provision of this section to the contrary, those additional areas which were designated redevelopment areas under the Area Redevelopment Act on or after March 1, 1965: *Provided, however,* That the continued eligibility of such areas after the first annual review of eligibility conducted in accordance with section 402 of this Act shall be dependent on their qualification for designation under the standards of economic need set forth in subsections (a) (1) through (a) (4) of this section.

(b) The size and boundaries of redevelopment areas shall be as determined by the Secretary: *Provided, however,* That—

(1) no area shall be designated until it has an approved overall economic development program in accordance with subsection 202(b)(10) of this Act;

(2) any area which does not submit an acceptable overall economic development program in accordance with subsection 202(b)(10) of this Act within a reasonable time after notification of eligibility for designation, shall not thereafter be designated prior to the next annual review of eligibility in accordance with section 402 of this Act;

(3) no area shall be designated which does not have a population of at least one thousand five hundred persons, except that this limitation shall not apply to any area designated under section 401(a)(3);² and

(4) except for areas designated under subsections (a)(3) and (a)(4) hereof, no area shall be designated which is smaller than a "labor area" (as defined by the Secretary of Labor), a county, or a municipality with a population of over two hundred and fifty thousand, whichever in the opinion of the Secretary is appropriate.

(c) Upon the request of the Secretary, the Secretary of Labor, the Secretary of Agriculture, the Secretary of the Interior, and such other heads of agencies as may be appropriate are authorized to conduct such special studies, obtain such information, and compile and furnish to the Secretary such data as the Secretary may deem necessary or proper to enable him to make the determinations provided for in this section. The Secretary shall reimburse when appropriate, out of any funds appropriated to carry out the purposes of this Act, the foregoing officers for any expenditures incurred by them under this section.

(d) If a State has no area designated under the preceding subsections of this section as a redevelopment area, the Secretary shall designate as a redevelopment area that area in such State which in his opinion most nearly qualifies under such preceding subsections. An area so designated shall have its eligibility terminated in accordance with the provisions of section 402 if any other area within the same State subsequently has become qualified or been designated under any other subsection of this section as of the time of the annual review prescribed by section 402: *Provided*, That the Secretary shall not terminate any designation of an area in a State as a redevelopment area if to do so would result in such State having no redevelopment area.

(e) As used in this Act, the term "redevelopment area" refers to any area within the United States which has been designated by the Secretary as a redevelopment area.

Annual Review of Area Eligibility

Sec. 402. The Secretary shall conduct an annual review of all areas designated in accordance with section 401 of this Act, and on the basis thereof shall terminate or modify the designations of such areas in accordance with objective standards which he shall prescribe by regulation. No area previously designated shall retain its designated

² P.L. 89-794, enacted November 8, 1966, sec. 1102, amended clause (3) of section 401(b) in its entirety. Prior to enactment of P.L. 89-794, the clause read:

"(3) no area shall be designated which does not have a population of at least one thousand five hundred persons, except for areas designated under subsection 401(a)(3), which shall have a population of not less than one thousand persons; and".

status unless it maintains a currently approved overall economic development program in accordance with subsection 202(b) (10). No termination of eligibility shall (1) be made without thirty days' prior notification to the area concerned, (2) affect the validity of any application filed, or contract or undertaking entered into, with respect to such area pursuant to this Act prior to such termination, (3) prevent any such area from again being designated a redevelopment area under section 401 of this Act if the Secretary determines it to be eligible under such section, or (4) be made in the case of any designated area where the Secretary determines that an improvement in the unemployment rate of a designated area is primarily the result of increased employment in occupations not likely to be permanent. The Secretary shall keep the departments and agencies of the Federal Government, and interested State or local agencies, advised at all times of any changes made hereunder with respect to the classification of any area.

PART B—ECONOMIC DEVELOPMENT DISTRICTS

Sec. 403. (a) In order that economic development projects of broader geographical significance may be planned and carried out, the Secretary is authorized—

(1) to designate appropriate "economic development districts" within the United States with the concurrence of the States in which such districts will be wholly or partially located, if—

(A) the proposed district is of sufficient size or population, and contains sufficient resources, to foster economic development on a scale involving more than a single redevelopment area;

(B) the proposed district contains two or more redevelopment areas;

(C) the proposed district contains one or more redevelopment areas or economic development centers identified in an approved district overall economic development program as having sufficient size and potential to foster the economic growth activities necessary to alleviate the distress of the redevelopment areas within the district; and

(D) the proposed district has a district overall economic development program which includes adequate land use and transportation planning and contains a specific program for district cooperation, self-help, and public investment and is approved by the State or States affected and by the Secretary;

(2) to designate as "economic development centers," in accordance with such regulations as he shall prescribe, such areas as he may deem appropriate, if—

(A) the proposed center has been identified and included in an approved district overall economic development program and recommended by the State or States affected for such special designation;

(B) the proposed center is geographically and economically so related to the district that its economic growth may reasonably be expected to contribute significantly to the

alleviation of distress in the redevelopment areas of the district; and

(C) the proposed center does not have a population in excess of two hundred and fifty thousand according to the last preceding Federal census.

(3) to provide financial assistance in accordance with the criteria of sections 101, 201, and 202 of this Act, except as may be herein otherwise provided, for projects in economic development centers designated under subsection (a) (2) above, if—

(A) the project will further the objectives of the overall economic development program of the district in which it is to be located;

(B) the project will enhance the economic growth potential of the district or result in additional long-term employment opportunities commensurate with the amount of Federal financial assistance requested; and

(C) the amount of Federal financial assistance requested is reasonably related to the size, population, and economic needs of the district;

(4) subject to the 20 per centum non-Federal share required for any project by subsection 101(c) of this Act, to increase the amount of grant assistance authorized by section 101 for projects within redevelopment areas (designated under section 401), by an amount not to exceed 10 per centum of the aggregate cost of any such project, in accordance with such regulations as he shall prescribe if—

(A) the redevelopment area is situated within a designated economic development district and is actively participating in the economic development activities of the district; and

(B) the project is consistent with an approved district overall economic development program.

(b) In designating economic development districts and approving district overall economic development programs under subsection (a) of this section, the Secretary is authorized, under regulations prescribed by him—

(1) to invite the several States to draw up proposed district boundaries and to identify potential economic development centers;

(2) to cooperate with the several States—

(A) in sponsoring and assisting district economic planning and development groups, and

(B) in assisting such district groups to formulate district overall economic development programs;

(3) to encourage participation by appropriate local governmental authorities in such economic development districts.

(c) The Secretary shall by regulation prescribe standards for the termination or modification of economic development districts and economic development centers designated under the authority of this section.

(d) As used in this Act, the term “economic development district” refers to any area within the United States composed of cooperating redevelopment areas and, where appropriate, designated economic

development centers and neighboring counties or communities, which has been designated by the Secretary as an economic development district.

(e) As used in this Act, the term "economic development center" refers to any area within the United States which has been identified as an economic development center in an approved district overall economic development program and which has been designated by the Secretary as eligible for financial assistance under sections 101, 201, and 202 of this Act in accordance with the provisions of this section.

(f) For the purpose of this Act the term "local government" means any city, county, town, parish, village, or other general-purpose political subdivision of a State.

(g) There is hereby authorized to be appropriated not to exceed \$50,000,000 for the fiscal year ending June 30, 1967, and for each fiscal year thereafter through the fiscal year ending June 30, 1970, for financial assistance extended under the provisions of subsection (a) (3) and (a) (4) hereof.

(h) In order to allow time for adequate and careful district planning, subsection (g) of this section shall not be effective until one year from the date of enactment.

* * * * *

RAILROAD RETIREMENT ACT OF 1937, AS AMENDED

(45 U.S.C. 228a)

Definitions

Section 1. For the purposes of this Act—

(a) The term “employer” means any carrier (as defined in subsection (m) of this section), and any company which is directly or indirectly owned or controlled by one or more such carriers or under common control therewith, and which operates any equipment or facility or performs any service (except trucking service, casual service, and the casual operation of equipment or facilities) in connection with the transportation of passengers or property by railroad, or the receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, or handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the property or operating all or any part of the business of any such employer: *Provided, however,* That the term “employer” shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-railroad system of transportation now or hereafter operated by any other motive power. The Interstate Commerce Commission is hereby authorized and directed upon request of the Board, or upon complaint of any party interested, to determine after hearing whether any line operated by electric power falls within the terms of this proviso. The term “employer” shall also include railroad associations, traffic associations, tariff bureaus, demurrage bureau, weighing and inspection bureaus, collection agencies and other associations, bureaus, agencies, or organizations controlled and maintained wholly or principally by two or more employers as hereinbefore defined and engaged in the performance of services in connection with or incidental to railroad transportation; and railway labor organizations, national in scope, which have been or may be organized in accordance with the provisions of the Railway Labor Act, as amended, and their State and National legislative committees and their general committees and their insurance departments and their local lodges and divisions, established pursuant to the constitution and bylaws of such organizations. The term “employer” shall not include any company by reason of its being engaged in the mining of coal, the supplying of coal to an employer where delivery is not beyond the mine tipple, and the operation of equipment or facilities therefor, or in any of such activities.

(b) The term “employee” means (1) any individual in the service of one or more employers for compensation, (2) any individual who is in the employment relation to one or more employers, and (3) an employee representative. The term “employee” shall include an em-

ployee of a local lodge or division defined as an employer in subsection (a) only if he was in the service of or in the employment relation to a carrier on or after the enactment date. The term "employee representative" means any officer or official representative of a railway labor organization other than a labor organization included in the term "employer" as defined in section 1(a) who before or after the enactment date was in the service of an employer as defined in section 1(a) and who is duly authorized and designated to represent employees in accordance with the Railway Labor Act, as amended, and any individual who is regularly assigned to or regularly employed by such officer or official representative in connection with the duties of his office.

The term "employee" shall not include any individual while such individual is engaged in the physical operations consisting of the mining of coal, the preparation of coal, the handling (other than movement by rail with standard railroad locomotives) of coal not beyond the mine tippie, or the loading of coal at the tippie.

* * * * *

(h) (1) The term "compensation" means any form of money remuneration paid to an individual for services rendered as an employee to one or more employers, or as an employee representative, including remuneration paid for time lost as an employee, but remuneration paid for time lost shall be deemed earned in the month in which such time is lost. Such term does not include tips (except as is provided under paragraph (2)), or the voluntary payment by an employer, without deduction from the remuneration of the employee, of any tax now or hereafter imposed with respect to the compensation of such employee. For the purposes of determining monthly compensation and years of service and for the purposes of sections 2 and 5¹ of this Act, compensation earned in the service of a local lodge or division of a railway-labor-organization employer, shall be disregarded with respect to any calendar month if the amount thereof is less than \$3 and (i)² such compensation is earned between December 31, 1936, and April 1, 1940, and taxes thereon pursuant to sections 2(a) and 3(a) of the Carriers Taxing Act of 1937 or sections 1500 and 1520 of the Internal Revenue Code are not paid prior to July 1, 1940; or (ii)³ such compensation is earned after March 31, 1940. A payment made by an employer to an individual through the employer's payroll shall be presumed, in the absence of evidence to the contrary, to be compensation for service rendered by such individual as an employee of the employer in the period with respect to which the payment is made. An employee shall be deemed to be paid, "for time lost" the amount he is paid by an employer with respect to an identifiable period of absence from the active service of the employer, including absence on account of personal injury, and the amount he is paid by the employer for loss of earnings resulting from his displacement to a less remunerative position or occupation. If a payment is made by an employer with respect to a personal injury and includes pay for time lost, the total

¹ P.L. 89-700, sec. 101(b), enacted October 30, 1966, substituted "sections 2 and 5" in lieu of "subsections (a), (c), and (d) of section 2 and subsection (a) of section (5)" and substituted "(i)" and "(ii)" in lieu of "(1)" and "(2)".

² See footnote 1 above.

³ See footnote 1 above.

payment shall be deemed to be paid for time lost unless, at the time of payment, a part of such payment is specifically apportioned to factors other than time lost, in which event only such part of the payment as is not so apportioned shall be deemed to be paid for time lost. Compensation earned in any calendar month before 1947 shall be deemed paid in such month regardless of whether or when payment will have been in fact made, and compensation earned in any calendar year after 1946 but paid after the end of such calendar year shall be deemed to be compensation paid in the calendar year in which it will have been earned if it is so reported by the employer before February 1 of the next succeeding calendar year or, if the employee establishes, subject to the provisions of section 8, the period during which such compensation will have been earned. In determining the monthly compensation, the average monthly remuneration, and quarters of coverage of any employee, there shall be attributable as compensation paid to him in each calendar month before 1968^{1a} in which he is in military service creditable under section 4 the amount of \$160 in addition to the compensation, if any, paid to him with respect to such month. In making such a determination there shall be attributable as compensation paid to him for each calendar month after 1967 in which he is in military service so creditable the amount of \$260.^{1b} Compensation for service as a delegate to a national or international convention of a railway labor organization defined as an "employer" in subsection (a) of this section shall be disregarded for purposes of determining eligibility for and the amount of benefits pursuant to this Act if the individual rendering such service has not previously rendered service, other than as such a delegate, which may be included in his "years of service".

(2) Solely for purposes of determining amounts to be included in the compensation of an individual who is an employee (as defined in subsection (b)) the term "compensation" shall (subject to section 3(c)) also include cash tips received by an employee in any calendar month in the course of his employment by an employer unless the amount of such cash tips is less than \$20.

(3) Tips included as compensation by reason of the provisions of paragraph (2) shall be deemed to be paid at the time a written statement including such tips is furnished to the employer pursuant to section 6053(a) of the Internal Revenue Code of 1954 or (if no statement including such tips is so furnished) at the time received; and tips so deemed to be paid in any month shall be deemed paid for services rendered in such month.

(q) The terms "Social Security Act" and "Social Security Act, as amended," shall mean the Social Security Act as amended from time to time.⁴

^{1a} P.L. 90-275, sec. 101, enacted February 15, 1968, inserted "before 1968". Effective with respect to annuities accruing for months beginning with the month with respect to which the increase in benefits under title II of the Social Security Act provided for by the Social Security Amendments of 1967 is effective, and with respect to pensions due in calendar months next following the month with respect to which the increase in benefits under title II of the Social Security Act provided for by the Social Security Amendments of 1967 is effective.

^{1b} P.L. 90-257, sec. 101, enacted February 15, 1968, inserted this sentence. For effective date, see footnote 1a, above.

⁴ P.L. 89-700, sec. 101(c), enacted October 30, 1966, substituted "from time to time" in lieu of "in 1965".

Annuities

Sec. 2. * * *

(e) SPOUSE'S ANNUITY.—The spouse of an individual, if—

(i) such individual has been awarded an annuity under subsection (a) or a pension under section 6 and has attained the age of 65, and

(ii) such spouse has attained the age of 65 or in the case of a wife, has in her care (individually or jointly with her husband) a child who meets the qualifications prescribed in section 5(1)(1) (without regard to the provisions of clause (ii)(B) thereof) ⁵ of this Act,

shall be entitled to a spouse's annuity equal to one-half of such individual's annuity or pension, but not more, with respect to any month, than 110 per centum of an amount equal to the maximum amount which could be paid to anyone, with respect to such month, as a wife's insurance benefit under section 202(b) of the Social Security Act as amended: ⁶ *Provided, however, That if the annuity of the individual is awarded under paragraph 3 of subsection (a), the spouse's annuity shall be computed or recomputed as though such individual had been awarded the annuity to which he would have been entitled under paragraph 1 of said subsection: Provided further, That, if the annuity of the individual is awarded pursuant to a joint and survivor election, the spouse's annuity shall be computed or recomputed as though such individual had not made a joint and survivor election: and provided further, That the spouse's annuity provided for herein and in subsection (h) of this section shall be computed without regard to the reductions in the individual's annuity under the first two provisos in section 3(a)(2).⁷*

(f) For the purposes of this Act, the term "spouse" shall mean the wife or husband of a retirement annuitant or pensioner who (i) was married to such annuitant or pensioner for a period of not less than one year immediately preceding the day on which the application for a spouse's annuity is filed, or in the month prior to her or his marriage to such annuitant or pensioner was eligible for an annuity under subsection (a) or (d) of section 5 of this Act, or on the basis of disability, under subsection (c) thereof, or is the parent of such annuitant's or pensioner's son or daughter, if, as of the day on which the application for a spouse's annuity is filed, such wife or husband and such annuitant or pensioner were members of the same household, or such wife or husband was receiving regular contributions from such an-

⁵ P.L. 89-700, sec. 102(b)(1), substituted "who meets the qualifications prescribed in section 5(1)(1) (without regard to the provisions of clause (ii)(B) thereof)" in lieu of "who, if her husband were then to die, would be entitled to a child's annuity under subsection (c) of section 5".

⁶ P.L. 89-700, sec. 102(b)(2), deleted "from time to time".

⁷ P.L. 89-699, sec. 201(a)(1), enacted October 30, 1966, added the following proviso: "And provided further, That the spouse's annuity provided for herein and in subsection (h) of this section shall be computed without regard to the reduction in the individual's annuity under the first two provisos in section 3(a)(2) of this Act and without regard to the effect of section 3(a)(1) on the annuity of the individual from whom such spouse's annuity derives." Effective with respect to annuities accruing for months after October 1966, and with respect to pensions due in calendar months after November 1966. P.L. 90-257, sec. 103(a), enacted February 15, 1968, substituted "section 3(a)(2)." in lieu of "section 3(a)(1) of this Act and without regard to the effect of section 3(a)(2) on the annuity of the individual from whom such spouse's annuity derives." Effective as provided in footnote 1a, above.

nuitant or pensioner toward her or his support, or such annuitant or pensioner has been ordered by any court to contribute to the support of such wife or husband; and (ii) in the case of a husband, was receiving at least one-half of his support from his wife at the time his wife's retirement annuity or pension began.

* * * * *

Computation of Annuities

Sec. 3. * * *

(e) In the case of an individual having a current connection with the railroad industry, the minimum annuity payable shall, before any reduction pursuant to section 2(a)(3), be whichever of the following is the least: (1) \$5.35 multiplied by the number of his years of service; or (2) \$89.35; or (3) 118 per centum of his monthly compensation:⁸ *Provided, however,* That if for any⁹ month in which an annuity accrues and is payable under this Act the annuity to which an employee is entitled under this Act (or would have been entitled except for a reduction pursuant to section 2(a)(3) or a joint and survivor election), together with his or her spouse's annuity, if any, or the total of survivor annuities under this Act deriving from the same employee, is less than the total amount, or the additional amount, plus 10 per centum of the total amount,¹⁰ which would have been payable to all persons for such month under the Social Security Act^{11 12} if such employee's service as an employee after December 31, 1936, were included in the term "employment" as defined in that Act and quarters of coverage were determined in accordance with section 5(1)(4) of this Act, such annuity or annuities shall be increased proportionately to such total amount, or such additional amount, plus 10 per centum of such total amount.¹³ *Provided further,* That if an annuity accrues to an individual for a part of a month, the amount

⁸ P.L. 89-699, sec. 201(c), substituted the material in subsection (e) of section 3 preceding the first proviso followed by an exception reading "except that the minimum annuity so determined shall be reduced in accordance with the first two provisos in subsection (a)(1) of this section, but shall not be less than it would be had this Act not been amended in 1966". Effective as provided in footnote 7, above, P.L. 90-257, sec. 104(b), deleted the quoted exception. Effective as provided in footnote 1a, above. Prior to these changes, the material preceding the first proviso read: "In the case of an individual having a current connection with the railroad industry, the minimum annuity payable shall, before any reduction pursuant to section 2(a)(3), be whichever of the following is the least: (1) \$5.00 multiplied by the number of his years of service; or (2) \$83.50; or (3) 110 per centum of his monthly compensation".

⁹ P.L. 89-700, sec. 103(c)(2), struck out "entire" before "month", effective with respect to awards made on or after October 30, 1966.

¹⁰ P.L. 89-700, sec. 103(c)(1), substituted "is less than the total amount, or the additional amount, plus 10 per centum of the total amount" in lieu of "is less than 110 per centum of the amount or 110 per centum of the additional amount". Effective with respect to annuities accruing in or after October 1966.

¹¹ P.L. 89-700, sec. 103(c)(1), deleted "and individuals entitled to insurance benefits under subsection (c) of section 5 on the basis of disability to be less than eighteen years of age". Effective with respect to annuities accruing in or after October 1966.

¹² P.L. 90-257, sec. 104(b), deleted "(deeming completely and partially insured individuals to be fully and currently insured, respectively, individuals entitled to insurance annuities under subsections (a) and (d) of section 5 to have attained age sixty-five, and women entitled to spouses' annuities pursuant to elections made under subsection (h) of section 2 to be entitled to wife's insurance benefits determined under section 202(q) of the Social Security Act, and disregarding any possible deductions under subsection (g) and (h)(2) of section 203 of the Social Security Act)". Effective as provided in footnote 1a, above.

¹³ P.L. 89-700, sec. 103(c)(1), substituted "shall be increased proportionately to such total amount, or such additional amount, plus 10 per centum of such total amount" in lieu of "shall be increased proportionately to a total of 110 per centum of such amount or 110 per centum of such additional amount." Effective with respect to annuities accruing in or after October 1966.

payable for such part of a month under the preceding proviso shall be one-thirtieth of the amount payable under the proviso for an entire month, multiplied by the number of days in such part of a month.¹⁴

For the purposes of the first proviso in the first paragraph of this subsection, (i) completely and partially insured individuals shall be deemed to be fully and currently insured, respectively; (ii) individuals entitled to insurance annuities under subsections (a) (1) and (d) of section 5 of this Act shall be deemed to have attained age 62 (the provisions of this clause shall not apply to individuals who, though entitled to insurance annuities under section 5(a) (1) of this Act, were entitled to an annuity under section 5(a) (2) of this Act for the month before the month in which they attained age 60); (iii) individuals entitled to insurance annuities under section 5(a) (2) of this Act shall be deemed to be entitled to insurance benefits under section 202(e) or (f) of the Social Security Act on the basis of disability; (iv) individuals entitled to insurance annuities under section 5(c) of this Act on the basis of disability shall be deemed to be entitled to insurance benefits under section 202(d) of the Social Security Act on the basis of disability; and (v) women entitled to spouses' annuities pursuant to elections made under section 2(h) of this Act shall be deemed to be entitled to wives' insurance benefits determined under section 202(q) of the Social Security Act; and, for the purposes of this subsection, any possible deductions under subsections (g) and (h) (2) of section 203 of the Social Security Act shall be disregarded.^{14a}

Notwithstanding the provisions of section 202(q) of the Social Security Act, the amount determined under the proviso in the first paragraph of this subsection for a widow or widower who is or has been entitled to an annuity under section 5(a) (2) of this Act, shall be equal to 90.75 per centum of the primary insurance amount (reduced in accordance with section 203(a) of the Social Security Act) of the employee as determined under this subsection, and the amount so determined shall be reduced by three-tenths of 1 per centum for each month the annuity would be subject to a reduction under section 5(a) (2) of this Act (adjusted upon attainment of age 60 in the same manner as an annuity under section 5(a) (1) of this Act which, before attainment of age 60, had been payable under section 5(a) (2) of this Act); and the amount so determined shall be reduced by the amount of any benefit under title II of the Social Security Act to which she or he is, or on application would be, entitled.^{14b}

In cases where an annuity under this Act is not payable under the first proviso in the first paragraph of this subsection on the date of enactment of the Social Security Amendments of 1967, the primary insurance amount used in determining the applicability of such proviso shall, except in cases where the employee died before 1939, be derived after deeming the individual on whose service and compensation the annuity is based (i) to have become entitled to social security benefits, or (ii) to have died without being entitled to such benefits, after the date of the enactment of the Social Security Amendments of 1967. For this purpose, the provision of section 215(b) (3) of the Social Security

¹⁴ P.L. 89-700, sec. 103(c) (2), inserted the proviso, effective with respect to awards made on or after October 30, 1966.

^{14a} P.L. 90-257, sec. 104(b), added this paragraph. Effective as provided in footnote 1a, above.

^{14b} See footnote 14a, above.

Act that the employee must have reached age 65 (62 in the case of a woman) after 1960 shall be disregarded and there shall be substituted for the nine-year period prescribed in section 215(d) (1) (B) (i) of the Social Security Act, the number of years elapsing after 1936 and up to the year of death if the employee died before 1946.^{14c}

For the purposes of this subsection, the Board shall have the same authority to determine a "period of disability" within the meaning of section 216(i) of the Social Security Act, with respect to any employee who will have filed application therefor and (i) have completed ten years of service or (ii) have been awarded an annuity, as the Secretary of Health, Education, and Welfare would have to determine such a period under such section 216(i) if the employee met the requirements of clauses (A) and (B) of paragraph (3) of such section, considering for purposes of such determination that all his service as an employee after 1936 constitutes "employment" within the meaning of title II of the Social Security Act and determining his quarters of coverage for such purposes by presuming his compensation in a calendar year to have been paid in equal proportions with respect to all months in which he will have been in service as an employee in such calendar year: *Provided*, That an application for an annuity filed with the Board on the basis of disability shall be deemed to be an application to determine such a period of disability, and such an application filed with the Board on or before the date of the enactment of this paragraph shall, for purposes of this subsection and section 216(i) (4), of the Social Security Act, be deemed filed after December 1954 and before July 1958: *Provided further*, That, notwithstanding any other provision of law, the Board shall have the authority to make such determination on the basis of the records in its possession or evidence otherwise obtained by it, and a determination by the Board with respect to any employee concerning such a "period of disability" shall be deemed a final decision of the Board determining the rights of persons under this Act for purposes of section 11 of this Act. An application filed with the Board pursuant to this paragraph shall be deemed filed as of the same date also with the Secretary of Health, Education, and Welfare for the purpose of determining a "period of disability", under section 216(i) of the Social Security Act.

(f) * * *

(5) For the purposes of this subsection and paragraphs (1) and (2) of section 5(f) of this Act, a widow or widower of an individual shall be deemed to have been living with the individual at the time of the individual's death if the applicable conditions set forth in section 216(h) (2) or (3) of the Social Security Act, as in effect before 1957,¹⁵ are fulfilled.

* * * * *

Military Service

Sec. 4. * * *

(h)¹⁶ In the event military service is or has been used as the basis or as a partial basis for a pension, disability compensation, or any other gratuitous benefits payable on a periodic basis under any other Act of Congress, any annuity under this Act or the Railroad Retirement Act

^{14c} See footnote 14a, above.

¹⁵ P.L. 89-700, sec. 103(d), inserted "as in effect before 1957".

¹⁶ P.L. 89-700, sec. 104, redesignated subsections (i), (n), (p), (q), and (r) as (h), (l), (n), (o), and (p); and substituted "(n)(1)" in subsection (l) as redesignated, in lieu of "(p)(1)".

of 1935, which is based in part on such military service and is with respect to a calendar month for all or part of which such pension or other benefit is also payable, shall be reduced with respect to that month by the proportion which the number of years of service, by which such military service increases the years of service, or the service period, as the case may be, bears to the total years of service, or by the aggregate amount of such pension or other benefit with respect to that month, whichever would result in the smaller reduction.

* * * * *

(1)¹⁷ In addition to the amount authorized to be appropriated in subsection (a) of section 15 of this Act, there is hereby authorized to be appropriated to the Railroad Retirement Account for each fiscal year, beginning with the fiscal year ending June 30, 1941, (1) an amount sufficient to meet the additional cost of crediting military service rendered prior to January 1, 1937, and after June 30, 1963, and (2) an amount found by the Board to be equal to the amount of the total additional excise and income taxes which would have been payable during the preceding fiscal year under Subchapter B of Chapter 9 of the Internal Revenue Code, as amended, with respect to the compensation, as defined in such Subchapter B, of all individuals entitled to credit under the Railroad Retirement Acts, as amended, for military service after December 31, 1936, and prior to January 1, 1957; if each of such individuals, in addition to compensation actually earned, had earned such compensation in the amount of \$160 in each calendar month in which he was in such military service during such preceding fiscal year and such taxes were measured by all such compensation without limitation as to amount earned by any individual in any one calendar month, and (3) an amount found by the Board to be equal to (A) the amount of the total additional excise and income taxes which would have been payable during the preceding fiscal year under chapter 22 of the Internal Revenue Code of 1954 with respect to the compensation, as defined in such chapter, of all individuals entitled (without regard to subsection (n) (1)¹⁸ of this section) to credit under this Act for military service after December 31, 1956, and before July 1, 1963, if each of such individuals, in addition to compensation actually paid, had been paid such compensation in the amount of \$160 in each calendar month in which he was in such military service during such preceding fiscal year and such taxes were measured by all such compensation without limitation as to amount paid to any individual in any one calendar month, less (B) the amount of the taxes which were paid with respect to such military service under sections 3101 and 3111 of the Internal Revenue Code of 1954. The additional cost of crediting military service rendered prior to January 1, 1937, and after June 30, 1963, shall be determined as follows:

¹⁷ See footnote 16 above.

¹⁸ See footnote 16 above.

(i) determine the difference between the actuarial value of the benefit payable under this Act based in part on military service and the actuarial value of the benefit which would be payable to the same individual without regard to military service; (ii) with respect to military service rendered after June 30, 1963, adjust such difference by applying thereto the ratio of the total net level cost of all benefits under this Act to the portion thereof remaining after the exclusion of administrative expenses and interest charges on the unfunded accrued liability after taking into account the effects of section 5(k)(2); and (iii) subtract the actuarial value of such benefit based on the individual's military service as is includible in determinations made pursuant to section 5(k)(2). In calculating these actuarial values, the Board shall use such mortality tables and actuarial factors as it finds appropriate; the ratio referred to in clause (ii) of the preceding sentence shall be determined from time to time by the Board on the basis of actuarial estimates made in accordance with section 15; and all actuarial values shall be calculated as of the date on which the benefits based on military service begins to accrue and shall not thereafter be subject to change. All actuarial calculations in this subsection shall take into account interest at the rate used in the actuarial estimates referred to in the preceding sentence. The Railroad Retirement Board, as promptly as practicable after the enactment of this amendment, and thereafter annually, shall submit to the Bureau of the Budget estimates of such military service appropriations to be made to the account, in addition to the annual estimate by the Board, in accordance with subsection (a) of section 15 of this Act, of the appropriation to be made to the account to provide for the payment of annuities, pensions and death benefits not based on military service. The estimate made in any year with respect to military service rendered prior to January 1, 1937, and after June 30, 1963, shall be based on the cost, as determined in accordance with the above provisions, of annuities awarded or increased on the basis of such military service up to the close of the preceding fiscal year and not previously appropriated for, and shall take into account interest from the date the annuity began to accrue or was increased to the date or dates on which the amount appropriated is to be credited to the Railroad Retirement Account. In making the estimate for the appropriation for military service rendered after December 31, 1936, the Board shall take into account any excess or deficiency in the appropriation or appropriations for such service in any preceding fiscal year or years, with interest thereon. In determining pursuant to section 5(k)(2) for any fiscal year the total amount to be credited from the Railroad Retirement Account to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, credit shall be given such Account for the amount of the taxes described in clause (3)(B) of the first sentence of this subsection and the amount of such taxes with respect to military service after June 30, 1963. The amount authorized to be appropriated to the Railroad Retirement Account pursuant to clause (2) of the first sentence of this subsection shall be reduced by

the amounts credited to such Account pursuant to section 5(k) (2) for military service rendered before January 1, 1957, and the amounts so credited shall be considered as additional costs within the meaning of section 217(g) of the Social Security Act. In any determination made pursuant to section 5(k) (2), no further charges shall be made against the Trust Funds established by title II of the Social Security Act for military service rendered before January 1, 1957, and with respect to which appropriations authorized by clause (2) of the first sentence of this subsection shall have been credited to the Railroad Retirement Account, but the additional benefit payments incurred by such Trust Funds by reason of such military service shall be taken into account in making any such determination.

* * * * *

(n) ¹⁹ (1) Military service, rendered by an individual after December 1956 shall be creditable under this section only if the number of such individual's years of service is ten or more (including, in such years of service, military service which, but for this subsection, would be creditable under this section).

(2) In any case where an individual has completed ten or more years of service and such years of service include any military service rendered after December 1956, the Board shall as promptly as is practicable (A) notify the Secretary of Health, Education, and Welfare that such military service is creditable under this section and (B) specify the period or periods of the military service rendered after December 1956 which is so creditable.

(o) ²⁰ Notwithstanding the provisions of this section and section 2 (c) (2), military service rendered by an individual after December 1956 shall not be used in determining eligibility for, or computing the amount of, any annuity accruing under section 2 for any month if (1) any benefits are payable for that month under title II of the Social Security Act on the basis of such individual's wages and self-employment income, (2) such military service was included in the computation of such benefits, and (3) the inclusion of such service in the computation of such benefits resulted (for that month) in benefits not otherwise payable or in an increase in the benefits otherwise payable.

(p) ²¹ The Secretary concerned (as defined in section 102(9) of the Servicemen's and Veterans' Survivor Benefits Act) shall maintain such records, and furnish the Board upon its request with such information, regarding the months of any individual's military service and the remuneration paid therefor, as may be necessary to enable the Board to carry out its duties under this section and sections 2 and 5.

¹⁹ See footnote 16 above.

²⁰ See footnote 16 above.

²¹ See footnote 16 above.

Annuities and Lump Sums for Survivors²²

Sec. 5. (a) WIDOW'S AND WIDOWER'S INSURANCE ANNUITY.—(1) A widow or widower of a completely insured employee, who will have attained the age of sixty, shall be entitled during the remainder of her or his life or, if she or he remarries, then until remarriage, to an annuity for each month equal to such employee's basic amount, except that if the widow or widower will have been paid an annuity under paragraph (2) of this subsection the annuity for a month under this paragraph shall be in an amount equal to the amount calculated under such paragraph (2) except that, in such calculation, any month with respect to which an annuity under paragraph (2) is not paid shall be disregarded: ^{22a} *Provided, however,* That if in the month preceding the employee's death the spouse of such employee was entitled to a spouse's annuity under ²³ section 2 in an amount greater than the widow's or widower's insurance annuity, the widow's or widower's insurance annuity shall be increased to such greater amount.

(2) A widow or widower of a completely insured employee who will have attained the age of fifty but will not have attained age sixty and is under a disability, as defined in this paragraph, and such disability began before the end of the period prescribed in the last sentence of this paragraph, shall be entitled to an annuity for each month, unless she or he has remarried in or before such month, equal to such employee's basic amount but subject to a reduction by three-tenths of 1 per centum for each calendar month she or he is under age sixty when the annuity begins. A widow or widower shall be under a disability within the meaning of this paragraph if her or his permanent physical or mental condition is such that she or he is unable to engage in any regular employment. The provisions of section 2(a) of

²² P.L. 89-699, section 201(g), provides in effect:

All pensions under section 6 of the Railroad Retirement Act of 1937, all joint and survivor annuities and survivor annuities deriving from joint and survivor annuities under that Act awarded before November 1966, all widows' and widowers' insurance annuities which began to accrue before December 1966, and which, in accordance with the proviso in section 5(a) or section 5(b) of the Railroad Retirement Act of 1937, are payable in the amount of a spouse's annuity to which the widow or widower was entitled (except those of such insurance annuities which are based on a spouse's annuity which was payable in the maximum amount as determined in accordance with the provisions of the Social Security Act as amended by the Social Security Amendments of 1965), and all annuities under the Railroad Retirement Act of 1935 are increased by 7 per centum, but such a widow's or widower's annuity in an amount formerly received as a spouse's annuity shall not be increased to an amount above \$74.80: *Provided, however,* That in cases where an individual is entitled to a benefit under title II of the Social Security Act, the additional amount payable because of this subsection shall be reduced by 6.55 per centum of the amount of such social security benefit (disregarding any increases in such benefit based on recomputations other than for the correction of errors after such reduction is first applied and any increases derived from changes in the primary insurance amount through legislation enacted after the Social Security Amendments of 1965): *Provided further,* That in determining social security benefit amounts for the purpose of this subsection, if such individual's average monthly wage is in excess of \$400, only the average monthly wage of \$400 shall be used.

^{22a} P.L. 90-257, sec. 105(a), inserted the exception which begins "except that if the widow" preceding the proviso, effective as provided in footnote 1a, above.

²³ P.L. 89-700, sec. 105(b)(2), enacted October 30, 1966, deleted "subsection (e) of".

this Act as to the proof of disability shall apply with regard to determinations with respect to disability under this paragraph. The annuity of a widow or widower under this paragraph shall cease upon the last day of the second month following the month in which she or he ceases to be under a disability unless such annuity is otherwise terminated on an earlier date. The period referred to in the first sentence of this paragraph is the period beginning with the latest of (i) the month of the employee's death, (ii) the last month for which she was entitled to an annuity under subsection (b) as the widow of such employee, or (iii) the month in which her or his previous entitlement to an annuity as the widow or widower of such employee terminated because her or his disability had ceased and ending with the month before the month in which she or he attains age sixty, or, if earlier with the close of the eighty-fourth month following the month with which such period began.^{23a}

(b) **WIDOW'S CURRENT INSURANCE ANNUITY.**—A widow of a completely or partially insured employee, who is not entitled to an annuity under subsection (a) and who at the time of filing an application for an annuity under this subsection will have in her care a child of such employee, which child (without regard to the provisions of subsection (1) (1) (ii) (B)) is entitled to receive an annuity under subsection (c),²⁴ shall be entitled to an annuity for each month equal to the employee's basic amount. Such annuity shall cease upon her death, upon her remarriage, when she becomes entitled to any annuity under subsection (a), or when no child of the deceased employee (without regard to the provisions of subsection (1) (1) (ii) (B)) is entitled²⁵ to receive an annuity under subsection (c), whichever occurs first: *Provided, however,* That if in the month preceding the employee's death the spouse of such employee was entitled to a spouse's annuity under²⁶ section 2 in an amount greater than the widow's current insurance annuity, the widow's current insurance annuity shall be increased to such greater amount.

(c) **CHILD'S INSURANCE ANNUITY.**—Every child of an employee who will have died, completely or partially insured shall be entitled, for

^{23a} P.L. 90-257, sec. 105(a), inserted paragraph (2). Effective as provided in footnote 1a, above.

²⁴ P.L. 89-700, sec. 105(a), enacted October 30, 1966, substituted "employee, which child (without regard to the provisions of subsection (1) (1) (ii) (B)) is entitled to receive an annuity under subsection (c)," in lieu of "employee entitled to receive an annuity under subsection (c)". This amendment is effective with respect to annuities accruing for months after 1964 where, pursuant to the next sentence, no application for the annuity is required or, if required, such application is filed within one year after October 1966; otherwise, the twelve-month limitation on retroactivity, provided for in section 5(j) of the Railroad Retirement Act of 1937, shall apply. In the case of an individual who is not entitled to a child's insurance annuity under section 5(c) of the Railroad Retirement Act of 1937 for October 1966, such amendment shall apply only on the basis of an application filed in or after October 1966; except that no application shall be required of a child age eighteen to twenty-one, inclusive, with respect to whom the Board has information on October 30, 1966, of his eligibility for an annuity under the amendments made by section 105(j) (2) of this Act (see footnote 44 on p. 886) through the application of section 3(e) of the Railroad Retirement Act of 1937.

²⁵ P.L. 89-700, sec. 105(b) (1), enacted October 30, 1966, substituted "no child of the deceased employee (without regard to the provisions of subsection (1) (1) (ii) (B)) is entitled" in lieu of "no child of the deceased employee is entitled". For effective date see footnote 24 above.

²⁶ See footnote 23 above.

so long as such child lives and meets the qualifications set forth in paragraph (1) of subsection (1), to an annuity for each month equal to two-thirds of the employee's basic amount.

(d) **PARENT'S INSURANCE ANNUITY.**—Each parent, sixty years of age or over, of a completely insured employee, who will have died leaving no widow, no widower, and no child, shall be entitled, for life, or, if such parent remarries after the employee's death, then until such remarriage, to an annuity for each month equal to two-thirds of the employee's basic amount.

(e) When there is more than one employee with respect to whose death a parent or child is entitled to an annuity for a month, such annuity shall be two-thirds of whichever employee's basic amount is greatest.

(f) **LUMP-SUM PAYMENT.**—(1) Upon the death, after the month in which this Act is enacted, of a completely or partially insured employee who will have died leaving no widow, widower, child, or parent who would on proper application therefor be entitled to receive an annuity under this section for the month in which such death occurred, a lump sum of ten times the employee's basic amount shall be paid to the person, if any, who is determined by the Board to be the widow or widower of the deceased employee and to have been living with such employee at the time of such employee's death and who will not have died before receiving payment of such lump sum. If there be no such widow or widower, such lump sum shall be paid—

(i) if all or part of the burial expenses of such insured individual which are incurred by or through a funeral home or funeral homes remain unpaid, to such funeral home or funeral homes to the extent of such unpaid expenses, but only if (A) any person who assumed the responsibility for the payment of all or any part of such burial expenses files an application, prior to the expiration of two years after the date of death of such insured individual, requesting that such payment be made to such funeral home or funeral homes, or (B) at least ninety days have elapsed after the date of death of such insured individual and prior to the expiration of such ninety days no person has assumed responsibility for the payment of any of such burial expenses;

(ii) if all of the burial expenses of such insured individual which were incurred by or through a funeral home or funeral homes have been paid (including payments made under clause (i)), to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid such burial expenses; or

(iii) if any part of the amount payable under this subsection remains after payments have been made pursuant to clauses (i) and (ii), to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid other expenses in connection with the burial of such insured individual, in the following order of priority: (A) expenses of opening and closing the grave of such insured individual, (B) expenses of

providing the burial plot of such insured individual, and (C) any remaining expenses in connection with the burial of such insured individual.²⁷

If a lump sum would be payable to a widow or widower under this subsection except for the fact that a survivor will have been entitled to receive an annuity for the month in which the employee will have died, but within one year after the employee's death there will not have accrued to survivors of the employee, by reason of his death annuities which, after all deductions pursuant to paragraph (1) of subsection (i) will have been made, are equal to such lump sum, a payment equal to the amount by which such lump sum exceeds such annuities so accrued after such deductions shall then nevertheless be made under this paragraph to the widow or widower to whom a lump sum would have been payable under this paragraph except for the fact that a monthly benefit under this section was payable for the month in which the employee died and who will not have died before receiving payment of such lump sum.²⁸ No payment shall be made to any person under this subsection, unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of two years after the date of death of the deceased employee, except that if the deceased employee is a person to whom section 2 of the Act of March 7, 1942 (56 Stat. 143, 144), is applicable such two years shall run from the date on which the deceased employee, pursuant to said Act, is determined to be dead, and for all other purposes of this section such employee, so long as it does not appear that he is in fact alive shall be deemed to have died on the date determined pursuant to said Act to be the date or presumptive date of death.

(2) Whenever it shall appear, with respect to the death of an employee on or after January 1, 1947, that no benefits, or no further benefits, other than benefits payable to a widow, widower, or parent upon attaining age sixty at a future date, will be payable under this section or, pursuant to subsection (k) of this section, upon attaining the age of eligibility²⁹ at a future date, will be payable under title II of the Social Security Act, as amended, there shall be paid to such person or persons as the deceased employee may have designated by a writing filed with the Board prior to his or her death, or if there be no designation, to the following person (or, if more than one, in equal shares to the persons) whose relationship to the deceased employee will have been determined by the Board and who will not have died

²⁷ P.L. 89-700, sec. 105(c)(1), enacted October 30, 1966, amended the second sentence of subsection (f)(1) of section 5 in its entirety, effective with respect to lump-sum payments awarded on or after October 30, 1966. Prior to amendment the sentence read as follows: "If there be no such widow, or widower, such lump sum shall be paid to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of such deceased employee."

²⁸ P.L. 89-700, sec. 105(c)(2), substituted "to the widow or widower to whom a lump sum would have been payable under this paragraph except for the fact that a monthly benefit under this section was payable for the month in which the employee died and who will not have died before receiving payment of such lump sum" in lieu of "to the person (or, if more than one, in equal shares to the persons) first named in the following order of preference: the widow, widower, child, or parent of the employee then entitled to a survivor annuity under this section", effective with respect to deaths occurring in or after October 1965.

²⁹ P.L. 89-700, sec. 105(d)(2), substituted "upon attaining the age of eligibility" in lieu of "upon attaining retirement age (as defined in section 216(a) of the Social Security Act)".

before receiving payment of the lump sum provided for in this paragraph:

(i) the widow or widower of the deceased employee who was living with such employee at the time of such employee's death; or

(ii) if there be no such widow or widower, to any child or children of such employee; or

(iii) if there be no such widow, widower, or child, to any grandchild or grandchildren of such employee; or

(iv) if there be no such widow, widower, child, or grandchild, to any parent or parents of such employee; or

(v) if there be no such widow, widower, child, grandchild, or parent, to any brother or sister of such employee; or

(vi) if there be no such widow, widower, child, grandchild, parent, brother, or sister, to the estate of such employee,

a lump sum in an amount equal to the sum of 4 per centum of his or her compensation paid after December 31, 1936, and prior to January 1, 1947, plus 7 per centum of his or her compensation paid after December 31, 1946, and before January 1, 1959, plus $7\frac{1}{2}$ per centum of his or her compensation paid after December 31, 1958, and before January 1, 1962, plus 8 per centum of his or her compensation paid after December 31, 1961, and before January 1, 1966, plus an amount equal to the total of all employee taxes payable by him or her after December 31, 1965, under the provisions of section 3201 of the Railroad Retirement Tax Act, plus one-half of 1 per centum of the compensation on which such taxes were payable, deeming the compensation attributable to creditable military service rendered after June 30, 1963, to be taxable compensation, and one-half of the taxes payable by an employee representative under section 3211 of the Railroad Retirement Tax Act to be employee taxes payable under section 3201 of such Act ³⁰ (exclusive of compensation in excess of \$300 for any month before July 1, 1954, and in excess of \$350 for any month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, and in excess of \$400 for any month after the month in which this Act was so amended and before the calendar month next following the month in which this Act was amended in 1963, and in excess of \$450 for any month after the month in which this Act was so amended and before the calendar month next following the month in which this Act was amended in 1965, and in excess of (i) \$450, or (ii) an amount equal to one-twelfth of the current maximum annual taxable "wages" as defined in section 3121 of the Internal Revenue Code of 1954, whichever is greater, for any month after the month in which this Act was so amended), minus the sum of all benefits paid to him or

³⁰ P.L. 89-700, sec. 105(d)(1), inserted after 1961 " , and before January 1, 1966, plus an amount equal to the total of all employee taxes payable by him or her after December 31, 1965, under the provisions of section 3201 of the Railroad Retirement Tax Act, plus one-half of 1 per centum of the compensation on which such taxes were payable, deeming the compensation attributable to creditable military service rendered after June 30, 1963, to be taxable compensation, and one-half of the taxes payable by an employee representative under section 3211 of the Railroad Retirement Tax Act to be employee taxes payable under section 3201 of such Act"; and inserted before the colon preceding the proviso "(for this purpose, payments to providers of services under section 21 of this Act and the amount of the employee tax attributable to so much in tax rate as is derived from section 3101(b) of the Internal Revenue Code of 1954, shall be disregarded)", effective with respect to deaths occurring on or after October 30, 1966.

her, and to others deriving from him or her, during his or her life, or to others by reason of his or her death, under this Act and, pursuant to subsection (k) of this section, under title II of the Social Security Act, as amended (for this purpose, payments to providers of services under section 21 of this Act and the amount of the employee tax attributable to so much in tax rate as is derived from section 3101(b), of the Internal Revenue Code of 1954, shall be disregarded) ³¹: *Provided, however,* That if the employee is survived by a widow, widower, or parent who may upon attaining age sixty be entitled to further benefits under this section, or pursuant to subsection (k) of this section, upon attaining the age of eligibility ³² be entitled to further benefits under title II of the Social Security Act, as amended, such lump sum shall not be paid unless such widow, widower, or parent makes and files with the Board an irrevocable election, in such form as the Board may prescribe, to have such lump sum paid in lieu of all benefits to which such widow, widower, or parent might otherwise become entitled under this section or, pursuant to subsection (k) of this section, under title II of the Social Security Act, as amended. Such election shall be legally effective according to its terms. Nothing in this section shall operate to deprive a widow, widower, or parent making such election of any insurance benefits under title II of the Social Security Act, as amended, to which such widow, widower, or parent would have been entitled had this section not been enacted. The term "benefits" as used in this paragraph includes all annuities payable under this Act, lump sums payable under paragraph (1) of this subsection, and insurance benefits and lump-sum payments under title II of the Social Security Act, as amended, pursuant to subsection (k) of this section, except that the deductions of the benefits which, pursuant to subsection (k) (1) of this section, are paid under title II of the Social Security Act, during the life of the employee to him or to her and to others deriving from him or her, shall be limited to such portions of such benefits as are payable solely by reason of the inclusion of service as an employee in "employment" pursuant to said subsection (k) (1).

(g) CORRELATION OF PAYMENTS.—(1) An individual, entitled on applying therefor to receive for a month before January 1, 1947, an insurance benefit under the Social Security Act on the basis of an employee's wages, which benefit is greater in amount than would be an annuity for such individual under this section with respect to the death of such employee, shall not be entitled to such annuity. An individual, entitled on applying therefor to any annuity or lump sum under this section with respect to the death of an employee, shall not be entitled to a lump-sum death payment or, for a month beginning on or after January 1, 1947, to any insurance benefits under the Social Security Act on the basis of the wages of the same employees.

(2) If an individual is entitled to more than one annuity for a month under this section, such individual shall be entitled only to

³¹ See footnote 30 above.

³² See footnote 29 above.

that one of such annuities for a month which is equal to or exceeds any other such annuity.

(3) [Repealed.]³³

* * * * *

(i) DEDUCTIONS FROM ANNUITIES.—(1) Deductions shall be made from any payments under this section to which an individual is entitled, until the total of such deductions equals such individual's annuity or annuities under this section for any month in which such individual—

(i) will have rendered compensated service within or without the United States to an employer;

(ii) will have been under the age of seventy-two and for which month he is charged with any earnings under section 203(f) of the Social Security Act, or having engaged in any activity outside the United States, would be charged under such section 203(f) with any earnings derived from such activity if it had been an activity within the United States deeming such an individual who is entitled to an annuity under subsection (a)(1) of this section to have attained age sixty-two unless such individual will have been entitled to an annuity under subsection (a)(2) of this section for the month before the month in which he attained age sixty;^{33a} and for purposes of this subdivision the Board shall have the authority to make such determinations and such suspensions of payment of benefits in the manner and to the extent that the Secretary of Health, Education, and Welfare would be authorized to do so under section 203(h)(3) of the Social Security Act if the individuals to whom this subdivision applies were entitled to benefits under section 202 of such Act: *Provided, however,* That in determining an individual's excess earnings for a year for the purposes of this section and section 3(e) there shall not be included his income from employment or self-employment during months beginning with the month with respect to which he ceases to be qualified for an annuity or ceases, without regard to the effect of excess earnings, to be included in the computation under section 3(e); or³⁴

³³ P.L. 89-700, sec. 105(e), deleted paragraph (3). The deleted paragraph read as follows:

"In the case of any individual receiving or entitled to receive an annuity under this section on the day prior to the date of enactment of the provisions of this paragraph, the application of paragraph (2) of this subsection to such individual shall not operate to reduce the sum of (A) the annuity under this section of such individual, (B) the retirement annuity, if any, of such individual, and (C) the benefits under the Social Security Act which such individual receives or is entitled to receive, to an amount less than such sum was before the enactment of the provisions of this paragraph."

^{33a} P.L. 90-257, sec. 105(c), added "deeming such an individual who is entitled to an annuity under subsection (a)(1) of this section to have attained age sixty-two unless such individual will have been entitled to an annuity under subsection (a)(2) of this section for the month before the month in which he attained age sixty". Effective as provided in footnote 1^a above.

³⁴ P.L. 89-700, sec. 105(g), added the proviso, effective with respect to deductions made in the calendar year 1966 and thereafter.

- (iii) if a widow otherwise entitled to an annuity under subsection (b) will not have had in her care a child of the deceased employee entitled to receive an annuity under subsection (c);
- (2) The total of deductions for all events described in paragraph (1) occurring in the same month shall be limited to the amount of such individual's annuity or annuities for that month. Such individual (or anyone in receipt of an annuity in his behalf) shall report to the Board the occurrence of any event described in paragraph (1).
- (3) Deductions shall also be made from any payments under this section with respect to the death of an employee until such deductions total—

(i) any death benefit, paid with respect to the death of such employee, under sections 5 of the Retirement Acts as in effect before 1947³⁵ (other than a survivor annuity pursuant to an election);

(ii) any lump sum paid, with respect to the death of such employee before 1947³⁶, under title II of the Social Security Act; and

(iii) any lump-sum benefit, paid to the same person, with respect to the death of such employee under subsection (f) (2).³⁷

(4) Any annuity for a month prior to the month in which application is filed shall be reduced, to any extent that may be necessary, so that it will not render erroneous any annuity which, before the filing of such application, the Board has certified for payment for such prior month.³⁸

(5)³⁹ The deductions provided in this subsection shall be made in such amounts and at such time or times as the Board shall determine. Decreases or increases in the total of annuities payable for a month with respect to the death of an employee shall be equally apportioned among all annuities in such total. An annuity under this section which is not in excess of \$5 may, in the discretion of the Board, be paid in a lump sum equal to its commuted value as the Board shall determine.

* * * * *

(k) PROVISIONS FOR CREDITING RAILROAD INDUSTRY SERVICE UNDER THE SOCIAL SECURITY ACT IN CERTAIN CASES.—(1) For the purpose of determining (i) insurance benefits under title II of the Social Security Act to an employee who will have completed less than ten years of service and to others deriving from him or her during his or her life and with respect to his or her death, and lump-sum death payments with respect to the death of such employee, and (ii) insurance benefits with respect to the death of an employee who will have completed ten years of service which would begin to accrue on or after January 1, 1947, and with respect to lump-sum death payments under such title payable in relation to a death of such an employee occurring on or after such date, and for the purposes of sections 203 and 216(1) (3) of that Act, section 15 of the Railroad Retirement Act

³⁵ P.L. 89-700, sec. 105(f), inserted "as in effect before 1947", inserted "before 1947" in subparagraph (ii) following "employee", and added subparagraph (iii) to paragraph (3), effective with respect to awards made on or after October 30, 1966.

³⁶ See footnote 35 above.

³⁷ See footnote 35 above.

³⁸ P.L. 89-700, sec. 105(f), added paragraph (4), and redesignated former paragraph (4) as paragraph (5), effective October 30, 1966.

³⁹ See footnote 38, above.

of 1935, section 210(a)(9)⁴⁰ of the Social Security Act, and section 17 of this Act shall not operate to exclude from "employment", under title II of the Social Security Act, service which would otherwise be included in such "employment" but for such sections. For such purpose, compensation paid in a calendar year shall, in the absence of evidence to the contrary, be presumed to have been paid in equal proportions with respect to all months in the year in which the employee will have been in service as an employee. In the application of the Social Security Act pursuant to this paragraph to service as an employee, all services as defined in section 1(c) of this Act shall be deemed to have been performed within the United States.⁴¹

(2)(A)(i) At the close of the fiscal year ending June 30, 1953, and each fiscal year thereafter, the Board and the Secretary of Health, Education, and Welfare shall determine the amount, if any, which if added to or subtracted from the Federal Old-Age and Survivors Insurance Trust Fund would place such Fund in the same position in which it would have been if service as an employee after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act and in the Federal Insurance Contributions Act. Such determination shall be made no later than June 15, following the close of the fiscal year. If such amount is to be added to the Federal Old-Age and Survivors Insurance Trust Fund, the Board shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Railroad Retirement Account (hereinafter termed "Retirement Account") to the Federal Old-Age and Survivors Insurance Trust Fund; if such amount is to be subtracted from the Federal Old-Age and Survivors Insurance Trust Fund, the Secretary of Health, Education, and Welfare shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Federal Old-Age and Survivors Insurance Trust Fund to the Retirement Account. The amount so certified shall further include interest (at the rate determined in subparagraph (B) for the fiscal year under consideration) payable from the close of such fiscal year until the date of certification.

(ii) At the close of the fiscal year ending June 30, 1958, and each fiscal year thereafter, the Board and the Secretary of Health, Education, and Welfare shall determine the amount, if any, which, if added to or subtracted from the Federal Disability Insurance Trust Fund would place such Fund in the same position in which it would have been if service as an employee after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act and in the Federal Insurance Contributions Act. Such determination shall be made no later than June 15, following the close of the fiscal year. If such amount is to be added to the Federal Disability Insurance Trust Fund the Board shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Retirement Account to the Federal Disability

⁴⁰ P.L. 89-700, sec. 105(1), substituted "210(a)(9)" in lieu of "210(a)(10)".

⁴¹ Prior to the Act of October 30, 1951 (65 Stat. 683), this provision was applicable only for purposes of determining benefits to the survivors of the deceased employee. As to those employees who had less than ten years of railroad service and who were awarded annuities prior to the Act of October 30, 1951, see saving clause, sec. 25(d) of the Act of October 30, 1951, on p. 715.

Insurance Trust Fund; if such amount is to be subtracted from the Federal Disability Insurance Trust Fund the Secretary of Health, Education, and Welfare shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Federal Disability Insurance Trust Fund to the Retirement Account. The amount so certified shall further include interest (at the rate determined in subparagraph (B) for the fiscal year under consideration) payable from the close of such fiscal year until the date of certification.

(iii) At the close of the fiscal year ending June 30, 1966, and each fiscal year thereafter, the Board and the Secretary of Health, Education, and Welfare shall determine the amount, if any, which, if added to or subtracted from the Federal Hospital Insurance Trust Fund, would place such fund in the same position in which it would have been if service as an employee after December 31, 1936, had been included in the term "employment" as defined in the Social Security Act and in the Federal Insurance Contributions Act. Such determination shall be made no later than June 15 following the close of the fiscal year. If such amount is to be added to the Federal Hospital Insurance Trust Fund, the Board shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Retirement Account to the Federal Hospital Insurance Trust Fund; and if such amount is to be subtracted from the Federal Hospital Insurance Trust Fund the Secretary of Health, Education, and Welfare shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Federal Hospital Insurance Trust Fund to the Retirement Account. The amount so certified shall further include interest (at the rate determined under subparagraph (B) for the fiscal year under consideration) payable from the close of such fiscal year until the date of certification.

(B) For the purposes of subparagraph (A), for any fiscal year, the rate of interest to be used shall be equal to the average rate of interest, computed as of May 31 preceding the close of such fiscal year, borne by all interest-bearing obligations of the United States then forming a part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest shall be the multiple of one-eighth of 1 per centum next lower than such average rate.

(C) The Secretary of the Treasury is authorized and directed to transfer to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, or the Federal Hospital Insurance Trust Fund from the Retirement Account or to the Retirement Account from the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, or the Federal Hospital Insurance Trust Fund, as the case may be, such amounts as, from time to time, may be determined by the Board and the Secretary of Health, Education, and Welfare pursuant to the provisions of subparagraph (A), and certified by the Board or the Secretary of Health, Education, and Welfare for transfer from the Retirement Account or from the Federal Old-Age and Survivors Insur-

ance Trust Fund, the Federal Disability Insurance Trust Fund, or the Federal Hospital Insurance Trust Fund.

(3) The Board and the Secretary of Health, Education, and Welfare,⁴² shall, upon request, supply each other with certified reports of records of compensation or wages and periods of service of determinations under section 3(e) of this Act, or section 216(i) of the Social Security Act, of periods of disability within the meaning of such section 216(i) and of other records in their possession or which they may secure, pertinent to the administration of this section, section 3(e) of this Act, or title II of the Social Security Act as affected by paragraph (1). Such certified reports shall be conclusive in adjudication as to the matters covered therein (except in the case of a determination of disability under section 216(i) of the Social Security Act): *Provided*, That if the Board or the Secretary of Health, Education, and Welfare, receives evidence inconsistent with a certified report and the application involved is still in course of adjudication or otherwise open for such evidence, such recertification of such report shall be made as, in the judgment of the Board, or the Secretary of Health, Education, and Welfare, whichever made the original certification, the evidence warrants. Such recertification and any subsequent recertifications shall be treated in the same manner and be subject to the same conditions as an original certification.

(1) **DEFINITIONS.**—For the purposes of this section the term “employee” includes an individual who will have been an “employee”, and—

(1) the qualifications for “widow”, “widower”, “child”, and “parent” shall be, except for the purposes of subsection (f), those set forth in section 216 (c), (e), and (g), and section 202(h)(3) of the Social Security Act, respectively; and in addition—

(i) a “widow” or “widower” shall have been living with the employee at the time of the employee’s death; a widower shall have received at least one-half of his support from his wife employee at the time of her death or he shall have received at least one-half of his support from his wife employee at the time her retirement annuity or pension began;

(ii) a “child” shall have been dependent upon its parent employee at the time of his death; shall not be adopted after such death by other than a stepparent, grandparent, aunt, uncle, brother or sister; ⁴³ shall be unmarried; and—

(A) shall be less than eighteen years of age; or

(B) shall be less than twenty-two years of age and a full-time student at an educational institution (determined as prescribed in this paragraph); or

(C) shall, without regard to his age, be unable to engage in any regular employment by reason of a permanent physical

⁴² See Preface, p. V, for change in designation from “Federal Security Administrator” to “Secretary of Health, Education, and Welfare”.

⁴³ P.L. 89-700, sec. 105(j)(1), enacted October 30, 1966, substituted “uncle, brother or sister” in lieu of “or uncle”, effective with respect to annuities under section 5(c) of the Railroad Retirement Act for months after October 1966; except that in the case of an individual who was not entitled to an annuity under section 5(c) of such Act for October 1966, such amendment shall apply only on the basis of an application filed in or after October 1966.

or mental condition which disability^{43a} began before he attained age eighteen, and⁴⁴

(iii) a "parent" shall have received at the time of the death of the employee to whom the relationship of parent is claimed, at least one-half of his support from such employee.

A "widow" or "widower" shall be deemed to have been living with the employee if the conditions set forth in section 216(h) (2) and (3), whichever is applicable, of the Social Security Act, as in effect prior to 1957, are fulfilled, or if such widow or widower would be paid benefits, as such, under title II of the Social Security Act but for the fact that the employee died insured under this Act.⁴⁵ A "child" shall be deemed to have been dependent upon a parent if the conditions set forth in section 202(d) (3) or (4)⁴⁶ of the Social Security Act are fulfilled (a partially insured mother being deemed currently insured). In determining for the purposes of this section and subsection (f) of section 2 and subsection (f) of section 3⁴⁷ whether an applicant is the wife, husband, widow, widower, child, or parent of an employee as claimed, the rules set forth in section 216(h) of the Social Security Act shall be applied deeming, for this purpose, individuals entitled to an annuity under section 2 (e) or (h) to be entitled to benefits under subsection (b) or (c) of section 202 of the Social Security Act and individuals entitled to an annuity under subsection (a) or (b) of this section to be entitled to a benefit under subsection (e), (f), or (g) of section 202 of the Social Security Act.^{47a} In determining for purposes of this section and subsection (f) of section 3 whether an applicant is the grandchild, brother, or sister of an employee as claimed, the rules set forth in section 216(h) (1) of the Social Security Act, as in effect prior to 1957, shall be applied the same as if such persons were included in such section 216(h) (1).⁴⁸ Such satisfactory proof shall be made from time to time, as prescribed by the Board, of the disability provided in clause (ii) of this paragraph and of the continuance, in

^{43a} P.L. 90-257, sec. 105(e), inserted "disability", effective as provided in footnote 1a, above.

⁴⁴ P.L. 89-700, sec. 105(j) (2), enacted October 30, 1966, substituted clauses (A), (B), and (C) in lieu of "and shall be less than eighteen years of age, or shall have a permanent physical or mental condition which is such that he is unable to engage in any regular employment: *Provided*, That such disability began before the child attains age eighteen, and", effective as provided in footnote 24, above.

⁴⁵ P.L. 89-700, sec. 105(j) (3) (i), enacted October 30, 1966, inserted ", or if such widow or widower would be paid benefits, as such, under title II of the Social Security Act but for the fact that the employee died insured under this Act", effective with respect to annuities for months after October 1966. (Section 112(o) provides that no lump-sum benefit under section 5(f) (2) of the Railroad Retirement Act of 1937 shall be awarded after October 30, 1966, in any case in which an individual survives who would be entitled to an annuity under the amendment made by this section unless such individual executes an election in accordance with such section 5(f) (2) before attainment of age 60 to have such benefit paid in lieu of other benefits.) Section 105(j) (3), subsections (ii)-(iv), inserted "and subsection (f) of section 3"; inserted "In determining for purposes of this section and subsection (f) of section 3 whether an applicant is the grandchild, brother, or sister of an employee as claimed, the rules set forth in section 216(h) (1) of the Social Security Act, as in effect prior to 1957, shall be applied the same as if such persons were included in such section 216(h) (1)."; and changed the semicolon at the end of paragraph (1) to a period and added after the period the last three new sentences.

⁴⁶ P.L. 90-248, sec. 151(d) (3) (A), inserted "(3) or (4)" in lieu of "(3), (4), or (5)". Applicable with respect to monthly benefits payable under title II of the Act (and annuities accruing under the Railroad Retirement Act of 1937) for months after January 1968, but only on the basis of applications filed in or after January 1968.

⁴⁷ See footnote 45 above.

^{47a} P.L. 90-257, sec. 105(e), inserted "216(h) of the Social Security Act shall be applied deeming, for this purpose, individuals entitled to an annuity under section 2 (e) or (h) to be entitled to benefits under subsection (b) or (c) of section 202 of the Social Security Act and individuals entitled to an annuity under subsection (a) or (b) of this section to be entitled to a benefit under subsection (e), (f), or (g) of section 202 of the Social Security Act" in lieu of "216(h) (1) of the Social Security Act, as in effect prior to 1957, shall be applied". Applicable as provided in footnote 1a, above.

⁴⁸ See footnote 45 above.

accordance with regulations prescribed by the Board, of such disability. If the individual fails to comply with the requirements prescribed by the Board as to the proof of the continuance of the disability his right to an annuity shall, except for good cause shown to the Board, cease. Where a woman has qualified for an annuity under this section as a widow, and marries another employee who dies within one year after the marriage, she shall not be disqualified for an annuity under this section as the widow of the second employee by reason of not having been married to the employee for one year. The provisions of paragraph (7)⁴⁹ of section 202(d) of the Social Security Act (defining the terms "full-time student" and "educational institution") shall be applied by the Board in the administration of this section as if the references therein to the Secretary were references to the Board. For purposes of the last sentence of subsection (j) of this section, a child entitled to a child's insurance annuity only on the basis of being a full-time student described in clause (ii) (B) of this paragraph shall cease to be qualified therefor in the first month during no part of which he is a full-time student, or the month in which he attains age 22, whichever first occurs. A child whose entitlement to a child's insurance annuity, on the basis of the compensation of an insured individual, terminated with the month preceding the month in which such child attained age eighteen, or with a subsequent month, may again become entitled to such an annuity (providing no event to disqualify the child has occurred) beginning with the first month thereafter in which he is a full-time student and has not attained the age of twenty-two, if he has filed an application for such reentitlement.⁵⁰

* * * * *

(3) The term "quarter of coverage" shall mean a compensation quarter of coverage or a wage quarter of coverage, and the term "quarter of coverage" shall mean compensation quarters of coverage, or wage quarters of coverage, or both: *Provided*, That there shall be for a single employee no more than four quarters of coverage for a single calendar year.⁵¹

(4) The term "compensation quarter of coverage" shall mean any quarter of coverage computed with respect to compensation paid to an employee after 1936 in accordance with the following table:

Months of service in a calendar year	Total compensation paid in the calendar year				
	Less than \$50	\$50 but less than \$100	\$100 but less than \$150	\$150 but less than \$200	\$200 or more
1-3.....	0	1	1	1	1
4-6.....	0	1	2	2	2
7-9.....	0	1	2	3	3
10-12.....	0	1	2	3	4

If upon computation of the compensation quarters of coverage in accordance with the above table an employee is found to lack a com-

⁴⁹ P.L. 90-248, sec. 151(d) (3) (B), inserted "(7)" in lieu of "(8)", applicable to annuities accruing under the Railroad Retirement Act of 1937 for months after January 1968, but only on the basis of applications filed in or after January 1968.

⁵⁰ See footnote 45 above.

⁵¹ P.L. 89-700, section 105(j) (3) (v), substituted a period in lieu of a semicolon at the end of paragraphs (3) and (5).

pletely or partially insured status which he would have if compensation paid in a calendar year were presumed to have been paid in equal proportions with respect to all months in the year in which the employee will have been in service as an employee, such presumption shall be made.

(5) The term "wage quarter of coverage" shall mean any quarter of coverage determined in accordance with the provisions of title II of the Social Security Act.⁵²

(6) The term "wages" shall mean wages as defined in section 209 of the Social Security Act. In addition, the term shall include (i) "self-employment income" as defined in section 211(b) of the Social Security Act, and (ii) wages deemed to have been paid under section 217 (a) or (e) of the Social Security Act on account of military service which is not creditable under section 4 of this Act. Wages, as defined in this paragraph, shall be credited for the purposes of this section in the manner and to the extent credited for corresponding purposes of title II of the Social Security Act.

(7) An employee will have been "completely insured" if it appears to the satisfaction of the Board that at the time of his death, whether before or after the enactment of this section, he will have completed ten years of service and will have had the qualifications set forth in any one of the following paragraphs:

(i) a current connection with the railroad industry; and a number of quarters of coverage, not less than six, and at least equal to one-half of the number of quarters, elapsing in the period after 1936, or after the quarter in which he will have attained the age of twenty-one, whichever is later, and up to but excluding the quarter in which he will have attained the age of sixty-five years or died, whichever will first have occurred (excluding from the elapsed quarters any quarter which is not a quarter of coverage and during any part of which a retirement annuity will have been payable to him); and if the number of such elapsed quarters is an odd number such number shall be reduced by one; or

(ii) a current connection with the railroad industry; and either will have had forty or more quarters of coverage or would be fully insured under title II of the Social Security Act if his service as an employee after December 31, 1936, were included in the term "employment" as defined in that Act; or

(iii) a pension will have been payable to him; or a retirement annuity based on service of not less than ten years (as computed in awarding the annuity) will have begun to accrue to him before 1948.

(8) An employee will have been "partially insured" at the time of his death, whether before or after the enactment of this section, if it appears to the satisfaction of the Board that he will have completed ten years of service and (i) will have had a current connection with the railroad industry; and (ii) either will have had six or more quarters of coverage in the period ending with the quarter in which he will have died or in which a retirement annuity will have begun to accrue to him and beginning with the third calendar year next preceding the year in which such event occurs, or would be currently insured under title II

⁵² See footnote 51 above.

of the Social Security Act if his service as an employee after December 31, 1936, were included in the term "employment" as defined in that Act.

(9) An employee's "average monthly remuneration" shall mean the quotient obtained by dividing (A) the sum of (i) the compensation paid to him after 1936 and before the employee's closing date or January 1, 1951, whichever is later ^{52a}, eliminating any excess over \$300 for any calendar month before July 1, 1954, any excess over \$350 for any calendar month after June 30, 1954, and before the calendar month next following the month in which this Act was amended in 1959, any excess over \$400 for any calendar month after the month in which this Act was so amended and before the calendar month next following the month in which this Act was amended in 1963, any excess over \$450 for any calendar month after the month in which this Act was so amended and before the calendar month next following the calendar month in which this Act was amended in 1965, and any excess over (i) \$450, or (ii) an amount equal to one-twelfth of the current maximum annual taxable "wages" as defined in section 3121 of the Internal Revenue Code of 1954, whichever is greater, for any calendar month after the month in which this Act was so amended, and (ii) if such compensation in the period before 1951 is less than \$50,400, or for any calendar year after 1950 and before 1955 is less than \$3,600 ^{52b} or for any calendar year after 1954 and before 1959 is less than \$4,200, or for any calendar year after 1958 and before 1966 is less than \$4,800, or for any calendar year after 1965 is less than an amount equal to the current maximum annual taxable "wages" as defined in section 3121 of the Internal Revenue Code of 1954 and the average monthly remuneration computed on compensation alone is less than (i) \$450, or (ii) an amount equal to one-twelfth of the current maximum annual taxable "wages" as defined in section 3121 of the Internal Revenue Code of 1954, whichever is greater, and the employee has earned in such period or such ^{52c} calendar year "wages" as defined in paragraph (6) hereof, such wages, in an amount not to exceed the difference between the compensation for such period and \$50,400, and between the compensation for such year and \$3,600 for years after 1950 and before 1955, ^{52d} \$4,200 for years after 1954 and before 1959, \$4,800 for years after 1958 and before 1966, and an amount equal to the current maximum annual taxable "wages" as defined in section 3121 of the Internal Revenue Code of 1954 for years after 1965, by (B) three times the number of quarters elapsing after 1936 and before the employee's closing date or January 1, 1951, whichever is later: *Provided*, That for the period after 1950 but prior to and including ^{52e}

^{52a} P.L. 90-257, sec. 105(f), inserted "or January 1, 1951, whichever is later". Effective with respect to benefits payable on deaths occurring on or after February 15, 1968.

^{52b} P.L. 90-257, sec. 105(f), inserted "in the period before 1951 is less than \$50,400, or for any calendar year after 1950 and before 1955 is less than \$3,600" in lieu of "for any calendar year before 1965 is less than \$3,600". Effective with respect to benefits payable on deaths occurring on or after February 15, 1968.

^{52c} P.L. 90-257, sec. 105(f), inserted "period or such". Effective with respect to benefits payable on deaths occurring on or after February 15, 1968.

^{52d} P.L. 90-257, sec. 105(f), inserted "for such period and \$50,400, and between the compensation for such year and \$3,600 for years after 1950 and before 1955," in lieu of "for such year and \$3,600 for years before 1955". Effective with respect to benefits payable on deaths occurring on or after February 15, 1968.

^{52e} P.L. 90-257, sec. 105(f), inserted "closing date or January 1, 1951, whichever is later: *Provided*, That for the period after 1950 but prior to and including" in lieu of "closing date: *Provided*, That for the period prior to and including". Effective with respect to benefits payable on deaths occurring on or after February 15, 1968.

the calendar year in which he will have attained the age of twenty-two there shall be included in the divisor not more than three times the number of quarters of coverage in such period: *Provided, further*, That there shall be excluded from the divisor any calendar quarter after 1950^{52f} which is not a quarter of coverage and during any part of which a retirement annuity will have been payable to him, any calendar quarter before 1951 in which a retirement annuity will have been payable to him and any calendar quarter before 1951 and before the year in which he will have attained the age of 20.^{52g} An employee's "closing date" shall mean (A) the first day of the first calendar year in which such employee both had attained age 65 and was completely insured; or (B) the first day of the calendar year in which such employee died; or (C) the first day of the calendar year following the year in which such employee died, whichever would produce the highest "average monthly remuneration" as defined in the preceding sentence. If the amount of the "average monthly remuneration" as computed under this paragraph is not a multiple of \$1, it shall be rounded to the next lower multiple of \$1. In any case where credit is claimed for months of service within two years prior to the death of the employee who rendered such service, with respect to which the employer's return pursuant to section 8 of this Act has not been entered on the records of the Board before a benefit under this section could otherwise be certified for payment, the Board may, in its discretion (subject to subsequent adjustment at the request of the survivor) include the compensation for such months in the computation of the benefit without further verification and may consider the compensation for such months to be the average of the compensation for months in the last period for which the employer has filed a return of the compensation of such employee.⁵³

With respect to an employee who will have been awarded a retirement annuity, the term "compensation" shall, for the purposes of this paragraph, mean the compensation on which such annuity will have been based.

* * * * *

Conclusiveness of Returns of Compensation and of Failure To Make Returns of Compensation

Sec. 8. Employers shall file with the Board, in such manner and form and at such times as the Board by rules and regulations may prescribe, returns⁵⁴ of compensation of employees, and, if the Board shall so require, shall furnish employees with statements of their compensation as reported to the Board. The Board's record of the compensation so returned shall be conclusive as to the amount of compensation paid to an employee during each period covered by the return, and

^{52f} P.L. 90-257, sec. 105(f) inserted "after 1950". Effective with respect to benefits payable on deaths occurring on or after February 15, 1968.

^{52g} P.L. 90-257, sec. 105(f), inserted "any calendar quarter before 1951 in which a retirement annuity will have been payable to him and any calendar quarter before 1951 and before the year in which he will have attained the age of 20". Effective with respect to benefits payable on deaths occurring on or after February 15, 1968.

⁵³ P.L. 89-700, sec. 105(k), added the last sentence of the first paragraph of sec. 5(1) (9).

⁵⁴ P.L. 89-700, sec. 106, enacted October 30, 1966, deleted "under oath" which followed "returns".

the fact that the Board's records show that no return was made of the compensation claimed to ⁵⁵ have been paid to an employee during a particular period shall be taken as conclusive that no compensation was paid to such employee during that period, unless the error in the amount of compensation returned in the one case, or the failure to make return of the compensation in the other case, is called to the attention of the Board within four years after the last date on which return of the compensation was required to be made.

* * * * *

Sec. 17. The term "employment," as defined in section 210 of title II of the Social Security Act, shall not include service performed by an individual as an employee as defined in section 1 (b).

* * * * *

Sec. 20. Any person awarded an annuity or pension under this Act may decline to accept all or any part of such annuity or pension by a waiver signed and filed with the Board. Such waiver may be revoked in writing at any time, but no payment of the annuity or pension waived shall be made covering the period during which such waiver was in effect. Such waiver shall have no effect on the amount of the spouse's annuity, or of a lump sum under section 5(f) (2), which would otherwise be due, and it shall have no effect for purposes of the last sentence of section 5(g) (1).

Hospital Insurance Benefits for the Aged

Sec. 21. (a) For the purposes of this section, the Board shall have the same authority to determine the rights of individuals described in subsection (b) of this section to have payments made on their behalf for hospital insurance benefits consisting of inpatient hospital services, post-hospital extended care services, and ⁵⁶ post-hospital home health services (all hereinafter referred to as "services") under section 226, and parts A and C of title XVIII, of the Social Security Act as the Secretary of Health, Education, and Welfare has under such section and such parts with respect to individuals to whom such section and such parts apply. For purposes of section 11, a determination with respect to the rights of an individual under this section shall, except in the case of a provider of services, be considered to be a decision with respect to an annuity.

(b) Except as otherwise provided in this section, every individual who—

(1) has attained age 65, and

(2) (A) is entitled to an annuity under this Act, or (B) would be entitled to such an annuity had he ceased compensated service and, in the case of a spouse, had such spouse's husband or wife ceased compensated service, or (C) had been awarded a pension under section 6, or (D) bears a relationship to an employee which, by reason of section 3 (e), has been, or would be, taken into account

⁵⁵ P.L. 89-700, sec. 106, deleted "will" which followed "claimed to".

⁵⁶ P.L. 90-248, sec. 129(c) (13), inserted "and post-hospital home health services" in lieu of "post-hospital home health services, and out-patient hospital diagnostic services". Applicable with respect to services furnished after March 31, 1968.

in calculating the amount of an annuity of such employee or his survivors, shall be certified to the Secretary of Health, Education, and Welfare as a qualified railroad retirement beneficiary under section 226 of the Social Security Act.

(c) The Board and the Secretary of Health, Education, and Welfare shall furnish each other with such information, records, and documents as may be considered necessary to the administration of this section or section 226, and part A of title XVIII, of the Social Security Act.

(d) For purposes of this section (and sections 1840, 1843, and 1870 of the Social Security Act), entitlement to an annuity or pension under this Act shall be deemed to include entitlement under the Railroad Retirement Act of 1935.

(e) The rights of individuals described in subsection (b) of this section to have payment made on their behalf for the services referred to in subsection (a) of this section but provided in Canada shall be the same as those of individuals to whom section 226 and part A of title XVIII of the Social Security Act apply, and this subsection shall be administered by the Board as if the provisions of section 226 and part A of title XVIII of the Social Security Act were applicable, as if references to the Secretary of Health, Education, and Welfare were to the Board, as if references to the Federal Hospital Insurance Trust Fund were to the Railroad Retirement Account, as if references to the United States or a State included Canada or a subdivision thereof, and as if the provisions of sections 1862(a)(4), 1863, 1864, 1867, 1868, 1869, 1874(b), and 1875 of such title XVIII were not included in such title. The payments for services herein provided for in Canada shall be made from the Railroad Retirement Account (in accordance with, and subject to, the conditions applicable under section 10(b) in making payment of other benefits) to the hospital, extended care facility, or home health agency providing such services in Canada to individuals to whom subsection (b) of this section applies, but only to the extent that the amount of payments for services otherwise hereunder provided for an individual exceeds the amount payable for like services provided pursuant to the law in effect in the place in Canada where such services are furnished. For the purposes of section 9 of this Act, any overpayment under this subsection shall be treated as if it were an overpayment of an annuity.

RAILROAD RETIREMENT ACT OF 1935 (49 STAT. 967)
(45 U.S.C. 215)

Sec. 15. The term "employment" as defined in subsection (b) of section 210 of Title II of the Social Security Act, shall not include service performed in the employ of a carrier as defined in subdivision (a) of section 1 of the Railroad Retirement Act of 1935.

* * * * *

RAILROAD UNEMPLOYMENT INSURANCE ACT

(45 U.S.C. 354a-1)

* * * * *

Disqualifying Conditions

Sec. 4. (a-1) There shall not be considered as a day of unemployment or as a day of sickness, with respect to any employee—

(i) any of the seventy-five days beginning with the first day of any registration period with respect to which the Board finds that he knowingly made or aided in making or caused to be made any false or fraudulent statement or claim for the purpose of causing benefits to be paid;

(ii) any day in any period with respect to which the Board finds that he is receiving or will have received annuity payments or pensions under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937, or insurance benefits under title II of the Social Security Act, or unemployment, maternity, or sickness benefits under an unemployment, maternity, or sickness compensation law other than this Act, or any other social insurance payments under any law: *Provided*, That if an employee receives or is held entitled to receive any such payments, other than unemployment, maternity, or sickness payments, with respect to any period which include days of unemployment or sickness in a registration period, after benefits under this Act for such registration period will have been paid, the amount by which such benefits under this Act will have been increased by including such days as days of unemployment or as days of sickness shall be recoverable by the Board: *Provided further*, That, if that part of any such payment or payments, other than unemployment, maternity, or sickness payments, which is apportionable to such days of unemployment or days of sickness is less in amount than the benefits under this Act which, but for this paragraph, would be payable and not recoverable with respect to such days of unemployment or days of sickness, the preceding provisions of this paragraph shall not apply but such benefits under this Act for such days of unemployment or days of sickness shall be diminished or recoverable in the amount of such part of such other payment or payments;

(iii) if he is paid a separation allowance, any of the days in the period beginning with the day following his separation from service and continuing for that number of consecutive fourteen-day periods which is equal, or most nearly equal, to the amount of the separation allowance divided (i) by ten times his last daily rate of compensation prior to his separation if he normally works five days a week, (ii) by twelve times such rate if he normally works six days a week, and (iii) by fourteen times such rate if he normally works seven days a week; ^{56a}

* * * * *

^{56a} P.L. 90-257, sec. 204(a), added paragraph (iii) effective with respect to calendar days in benefit years beginning after June 30, 1968.

REORGANIZATION PLAN NO. 2 OF 1946¹

(60 Stat. 1095) (5 U.S.C. 133y)

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, May 16, 1946, pursuant to the provisions of the Reorganization Act of 1945, approved December 20, 1945

Federal Security Agency² and Department of Labor

Section 1. *Children's Bureau.*—(a) The Children's Bureau in the Department of Labor, exclusive of its Industrial Division, is transferred to the Federal Security Agency. All functions of the Children's Bureau and of the Chief of the Children's Bureau except those transferred by subsection (b) of this section, all functions of the Secretary of Labor under title V of the Social Security Act (49 Stat. 620, ch. 531), as amended, and all other functions of the Secretary of Labor relating to the foregoing functions are transferred to the Federal Security Administrator, and shall be performed by him or under his direction and control by such officers and employees of the Federal Security Agency as he shall designate, except that the functions authorized by section 2 of the act of April 9, 1912 (37 Stat. 79, ch. 73), as amended, and such other functions of the Federal Security Agency as the Administrator may designate, shall be administered, under his direction and control, through the Children's Bureau.

(b) The functions of the Children's Bureau and of the Chief of the Children's Bureau under the Fair Labor Standards Act of 1938 (52 Stat. 1060, ch. 676), as amended, are transferred to the Secretary of Labor and shall be performed under his direction and control by such officers and employees of the Department of Labor as he shall designate.

Sec. 2. *Vital statistics.*—The functions of the Secretary of Commerce, the Bureau of the Census, and the Director of the Bureau of the Census with respect to vital statistics (including statistics on births, deaths, marriages, divorces, and annulments) are transferred to the Federal Security Administrator and shall be performed under his direction and control by the United States Public Health Service or by such officers and employees of the Federal Security Agency as the Administrator shall designate.

Sec. 3. *United States Employees' Compensation Commissioner.*—The functions of the United States Employees' Compensation Commission are transferred to the Federal Security Agency and shall be

¹ This plan became effective July 16, 1946.

² See "Administration of the Social Security Act" under Preface, p. v, for explanation of change of name from "Federal Security Administrator" and "Federal Security Agency" to "Secretary" and "Department of Health, Education, and Welfare."

performed in such manner and under such rules and regulations as the Federal Security Administrator shall prescribe. Such regulations shall provide for a board of three persons to be designated or appointed by the Federal Security Administrator with authority to hear and, subject to applicable law, make final decision or appeals taken from determinations and awards with respect to claims of employees of the Federal Government or of the District of Columbia. The United States Employees' Compensation Commission is abolished.

Sec. 4. *Social Security Board.*—The functions of the Social Security Board in the Federal Security Agency, together with the functions of its Chairman, are transferred to the Federal Security Administrator and shall be performed by him or under his direction and control by such officers and employees of the Federal Security Agency as he shall designate. The Social Security Board is abolished.

Sec. 5. *Assistant heads of Federal Security Agency.*—In addition to the existing Assistant Federal Security Administrator, there shall be not to exceed two assistant heads of the Federal Security Agency, each of whom shall be appointed by the Federal Security Administrator under the classified civil service, receive a salary at the rate of \$10,000 per annum, and perform such duties and head such constituent unit of the Federal Security Agency as the Administrator may provide.

Sec. 6. *Functions under act of June 20, 1936, with respect to the blind.*—The functions of the Office of Education and of the Commissioner of Education under the act of June 20, 1936 (49 Stat. 1559, ch. 638) are transferred to the Federal Security Administrator and shall be performed under his direction and control by such officers and employees of the Federal Security Agency as he shall designate.

Sec. 7. *Assistant Commissioner of Education.*—The functions of the Assistant Commissioner of Education created by the act of May 26, 1930 (46 Stat. 384, ch. 330) are transferred to the Office of Education to be performed under the direction and control of the Commissioner of Education by such officers or employees of the Office as he may designate with the approval of the Federal Security Administrator. The office of Assistant Commissioner of Education is abolished.

Sec. 8. *Federal Board for Vocational Education.*—The Federal Board for Vocational Education and its functions are abolished.

Sec. 9. *Board of Visitors of Saint Elizabeths Hospital.*—The Board of Visitors of Saint Elizabeths Hospital and its functions are abolished.

Sec. 10. *Coordination of grants-in-aid programs.*—In order to coordinate more fully the administration of grant-in-aid programs by officers and constituent units of the Federal Security Agency, the Federal Security Administrator shall establish, insofar as practicable, (a) uniform standards and procedures relating to fiscal, personnel, and the other requirements common to two or more such programs, and (b) standards and procedures under which a State agency participating in more than one such program may submit a single plan of operation and be subject to a single Federal fiscal and administrative review of its operation.

Sec. 11. *Winding up affairs.*—Suitable measures shall be taken by the Federal Security Administrator to wind up those outstanding affairs of the agencies herein abolished which are not otherwise disposed of by this plan.

Sec. 12. *Transfer of personnel, property, records, and funds.*—The personnel, property, records, and unexpended balances of appropriations, allocations, and other funds (available or to be made available), which the Director of the Bureau of the Budget shall determine to relate primarily to the functions transferred hereunder are transferred to the respective agencies concerned for use in the administration of the functions so transferred, except that all of the personnel, property, records, and funds of the Industrial Division of the Children's Bureau shall be transferred to such agency or agencies of the Department of Labor as the Secretary of Labor shall designate. Any of the personnel transferred under this plan which the transferee agency shall find to be in excess of the personnel necessary for the administration of the functions transferred to such agency shall be retransferred under existing law to other positions in the Government or separated from the service.

REORGANIZATION PLAN NO. 2 OF 1949¹

(63 Stat. 1065) (5 U.S.C. 133z-15)

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, June 20, 1949, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

Department of Labor

Section 1. *Bureau of Employment Security.*—The Bureau of Employment Security of the Federal Security Agency, including the United States Employment Service and the Unemployment Insurance Service, together with the functions thereof, is transferred as an organizational entity to the Department of Labor. The functions of the Federal Security Administrator with respect to employment services, unemployment compensation, and the Bureau of Employment Security, together with his functions under the Federal Unemployment Tax Act (as amended, and as affected by the provisions of Reorganization Plan No. 2 of 1946, 60 Stat. 1095, 26 U.S.C. 1600-1611), are transferred to the Secretary of Labor. The functions transferred by the provisions of this section shall be performed by the Secretary of Labor or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

Sec. 2. *Veterans' Placement Service Board.*—The functions of the Veterans' Placement Service Board under Title IV of the Servicemen's Readjustment Act of 1944 (58 Stat. 284, as amended; 38 U.S.C. 695-695f) are transferred to and shall be performed by the Secretary of Labor. The functions of the Chairman of the said Veterans' Placement Service Board are transferred to the Secretary of Labor and shall be performed by the Secretary or, subject to his direction and control, by the Chief of the Veterans' Employment Service. The Veterans' Placement Service Board is abolished.

Sec. 3. *Federal Advisory Council.*—The Federal Advisory Council established pursuant to section 11(a) of the Act of June 6, 1933 (48 Stat. 116, as amended, 29 U.S.C. 49j(a)), is hereby transferred to the Department of Labor and shall, in addition to its duties under the aforesaid Act, advise the Secretary of Labor and the Director of the Bureau of Employment Security with respect to the administration and coordination of the functions transferred by the provisions of this reorganization plan.

Sec. 4. *Personnel, records, property, and funds.*—There are transferred to the Department of Labor, for use in connection with the

¹ This plan became effective August 20, 1949.

functions transferred by the provisions of this reorganization plan, the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds (available or to be made available) of the Bureau of Employment Security, together with so much as the Director of the Bureau of the Budget shall determine of other personnel, property, records, and unexpended balances of appropriations, allocations, and funds (available or to be made available) of the Federal Security Agency which relate to functions transferred by the provisions of this reorganization plan.

REORGANIZATION PLAN NO. 19 OF 1950¹
(64 Stat. 1271) (5 U.S.C. 133z-15)

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, March 13, 1950, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949

Section 1. *Bureau of Employees' Compensation.*—The Bureau of Employees' Compensation of the Federal Security Agency, together with its functions, is transferred to the Department of Labor and shall be administered under the direction and supervision of the Secretary of Labor. The functions of the Federal Security Administrator, and of the Federal Security Agency, with respect to the Bureau of Employees' Compensation and with respect to employees' compensation (including workmen's compensation) are transferred to the Secretary of Labor: *Provided*, That there are not transferred by the provisions of this reorganization plan (1) any function of the Public Health Service; (2) any function of the Federal Security Agency or the Federal Security Administrator under the Vocational Rehabilitation Act, as amended (including the function of assuring the development and accomplishment of State rehabilitation plans affecting beneficiaries under the Federal Employees' Compensation Act); nor (3) the function of developing or establishing rehabilitation services or facilities. The functions transferred by the provisions of this section shall be performed by the Secretary of Labor or, subject to his direction and control, by such officers, agencies, and employees of the Department of Labor as he shall designate.

Sec. 2. *Employees' Compensation Appeals Board.*—The Employees' Compensation Appeals Board of the Federal Security Agency, together with the functions thereof, is transferred to the Department of Labor. The functions of the Federal Security Administrator with respect to the Employees' Compensation Appeals Board are transferred to the Secretary of Labor. The Board shall continue to have authority to hear and, subject to applicable law and the rules and regulations of the Secretary of Labor, to make final decision on appeals taken from determinations and awards with respect to claims of employees of the Federal Government or of the District of Columbia.

Sec. 3. *Personnel, records, property, and funds.*—There are transferred to the Department of Labor, for use in connection with the functions transferred by the provisions of this reorganization plan, the personnel, property, records and unexpended balances of appropriations, allocations, and other funds (available or to be made available)

¹ This plan became effective May 24, 1950.

of the Bureau of Employees' Compensation and the Employees' Compensation Appeals Board, together with so much as the Director of the Bureau of the Budget shall determine of other personnel, property, records and unexpended balances of appropriations, allocations, and funds (available or to be made available) of the Federal Security Agency which relate to functions transferred by the provisions of this reorganization plan.

REORGANIZATION PLAN NO. 1 OF 1953¹

(67 Stat. 631) (5 U.S.C. 133z-15)

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, March 12, 1953, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949, as amended

Department of Health, Education, and Welfare

Section 1. *Creation of Department; Secretary.*—There is hereby established an executive department, which shall be known as the Department of Health, Education, and Welfare (hereafter in this reorganization plan referred to as the Department). There shall be at the head of the Department a Secretary of Health, Education, and Welfare (hereafter in this reorganization plan referred to as the Secretary), who shall be appointed by the President by and with the advice and consent of the Senate, and who shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments. The Department shall be administered under the supervision and direction of the Secretary.

Sec. 2. *Under Secretary and Assistant Secretaries.*—There shall be in the Department an Under Secretary of Health, Education, and Welfare and two Assistant Secretaries of Health, Education, and Welfare, each of whom shall be appointed by the President by and with the advice and consent of the Senate, shall perform such functions as the Secretary may prescribe, and shall receive compensation at the rate now or hereafter provided by law for under secretaries and assistant secretaries, respectively, of executive departments. The Under Secretary (or, during the absence or disability of the Under Secretary or in the event of a vacancy in the Office of Under Secretary, an Assistant Secretary determined according to such order as the Secretary shall prescribe) shall act as Secretary during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary.

Sec. 3. *Special Assistant.*—There shall be in the Department a Special Assistant to the Secretary (Health and Medical Affairs) who shall be appointed by the President by and with the advice and consent of the Senate from among persons who are recognized leaders in the medical field with wide nongovernmental experience, shall review the health and medical programs of the Department and advise the Secretary with respect to the improvement of such programs and with respect to necessary legislation in the health and medical fields, and shall receive compensation at the rate now or hereafter provided by law for assistant secretaries of executive departments.

Sec. 4. *Commissioner of Social Security.*—There shall be in the Department a Commissioner of Social Security who shall be appointed by the President by and with the advice and consent of the Senate, shall perform such functions concerning social security and public

¹ This plan became effective April 11, 1953.

welfare as the Secretary may prescribe, and shall receive compensation at the rate now or hereafter fixed by law for grade GS-18 of the general schedule established by the Classification Act of 1949, as amended.

Sec. 5. *Transfers to the Department.*—All functions of the Federal Security Administrator are hereby transferred to the Secretary. All agencies of the Federal Security Agency, together with their respective functions, personnel, property, records, and unexpended balances of appropriations, allocations, and other funds (available or to be made available), and all other functions, personnel, property, records, and unexpended balances of appropriations, allocations, and other funds (available or to be made available) of the Federal Security Agency are hereby transferred to the Department.

Sec. 6. *Performance of functions of the Secretary.*—The Secretary may from time to time make such provisions as the Secretary deems appropriate authorizing the performance of any of the functions of the Secretary by any other officer, or by any agency or employee, of the Department.

Sec. 7. *Administrative services.*—In the interest of economy and efficiency the Secretary may from time to time establish central administrative services in the fields of procurement, budgeting, accounting, personnel, library, legal, and other services and activities common to the several agencies of the Department; and the Secretary may effect such transfers within the Department of the personnel employed, the property and records used or held, and the funds available for use in connection with such administrative service activities as the Secretary may deem necessary for the conduct of any services so established: *Provided*, That no professional or substantive function vested by law in any officer shall be removed from the jurisdiction of such officer under this section.

Sec. 8. *Abolitions.*—The Federal Security Agency (exclusive of the agencies thereof transferred by sec. 5 of this reorganization plan), the offices of Federal Security Administrator and Assistant Federal Security Administrator created by Reorganization Plan No. 1 (53 Stat. 1423), the two offices of assistant heads of the Federal Security Agency created by Reorganization Plan No. 2 of 1946 (60 Stat. 1095), and the office of Commissioner for Social Security created by section 701 of the Social Security Act, as amended (64 Stat. 558), are hereby abolished. The Secretary shall make such provisions as may be necessary in order to wind up any outstanding affairs of the Agency and offices abolished by this section which are not otherwise provided for in this reorganization plan.

Sec. 9. *Interim provisions.*—The President may authorize the persons who immediately prior to the time this reorganization plan takes effect occupy the offices of Federal Security Administrator, Assistant Federal Security Administrator, assistant heads of the Federal Security Agency, and Commissioner for Social Security to act as Secretary, Under Secretary, and Assistant Secretaries of Health, Education, and Welfare and as Commissioner of Social Security, respectively, until those offices are filled by appointment in the manner provided by sections 1, 2, and 4 of this reorganization plan, but not for a period of more than 60 days. While so acting, such persons shall receive compensation at the rates provided by this reorganization plan for the offices the functions of which they perform.

TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1958

(72 Stat. 171 ¹) (42 U.S.C. 1400nt-1400k)

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TITLE I—INDIVIDUALS WHO HAVE EXHAUSTED THEIR RIGHTS

Payment of Compensation

Eligibility

Sec. 101. (a) (1) Payment of temporary unemployment compensation under this Act shall be made, for any week of unemployment which begins on or after the fifteenth day after the date of the enactment of this Act and before July 1, 1959, to individuals who have, after June 30, 1957 (or after such later date as may be specified pursuant to section 102(b)), exhausted (within the meaning prescribed by the Secretary by regulations) all rights under the unemployment compensation laws referred to in paragraph (3) and who have no rights to unemployment compensation with respect to such week under any such law or under any other Federal or State unemployment compensation law. Payment of temporary unemployment compensation under this Act to any individual shall be made only if such individual had exhausted all rights under the unemployment compensation laws referred to in paragraph (3) before April 1, 1959, and his first claim under this Act was filed before April 1, 1959, in States in which unemployment compensation is paid on the basis of flexible-weeks, before April 5, 1959, in States in which unemployment compensation is paid on the basis of calendar-weeks, and before April 7, 1959, in States in which unemployment compensation is paid on the basis of statutory or payroll weeks.

¹ The Temporary Unemployment Compensation Act of 1958 (P.L. 85-441), approved June 4, 1958, is administered by the United States Department of Labor. The right to claim benefits under this Act has expired; however, the repayment provisions (sec. 104) remain effective.

(2) Except as provided in section 103, payment of temporary unemployment compensation under this Act shall be made only pursuant to an agreement entered into under section 102 and only for weeks of unemployment beginning after the date on which the agreement is entered into.

(3) The unemployment compensation laws referred to in this paragraph are:

(A) Any unemployment compensation law of a State.

(B) Title XV of the Social Security Act, as amended (42 U.S.C. 1361 et seq.).

(C) Title IV of the Veterans' Readjustment Assistance Act of 1952, as amended (38 U.S.C. 991 et seq.).

Maximum Aggregate Amount Payable

(b) The maximum aggregate amount of temporary unemployment compensation payable to any individual under this Act shall be an amount equal to 50 per centum of the total amount (including allowances for dependents, but excluding any temporary additional unemployment benefits) which was payable to him, under the unemployment compensation law or laws referred to in subsection (a) (3) under which he last exhausted his rights before making his first claim under this Act, for the benefit year with respect to which this last exhaustion occurred: *Provided, however,* That the amount so payable shall be reduced by the amount of any temporary additional unemployment compensation payable to him under the unemployment compensation law of any State. The term "benefit year" means the benefit year as defined in the applicable State unemployment compensation law; except that, if such law does not define a benefit year, then such term means the period prescribed by the Secretary.

Weekly Benefit Amount

(c) The temporary unemployment compensation payable to an individual under this Act for a week of total unemployment shall be the weekly benefit amount (including allowances for dependents) for total unemployment which was payable to him pursuant to the unemployment compensation law or laws referred to in subsection (a) (3) under which he most recently exhausted his rights. The temporary unemployment compensation payable to an individual under this Act for a week of less than total unemployment shall be computed on the basis of such weekly benefit amount.

Application of State Laws

(d) Except where inconsistent with the provisions of this title, the terms and conditions of the unemployment compensation law or laws referred to in subsection (a) (3) under which an individual most recently exhausted his rights shall be applicable to his claims for temporary unemployment compensation under this Act and to the payment thereof.

Agreements With States

In General

Sec. 102. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the unemployment compensation law of such State, under which such State agency—

(1) will make, as agent of the United States, payments of temporary unemployment compensation to the individuals referred to in section 101 on the basis provided in this Act; and

(2) will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary unemployment compensation under this Act.

State May Select Later Date for Exhaustions Under State Law Which Qualify Under This Act

(b) If the State so requests, the agreement entered into under this section shall specify, in lieu of June 30, 1957, such later date as the State may request. In any such case, an exhaustion under the unemployment compensation law of such State shall not be taken into account for the purposes of this Act unless it occurred after such later date.

Amendment, Suspension, or Termination of Agreement

(c) Each agreement under this Act shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

No Denial or Reduction of State Benefits

(d) Any agreement under this Act shall provide that unemployment compensation otherwise payable to any individual under the State's unemployment compensation law will not be denied or reduced for any week by reason of any right to temporary unemployment compensation under this Act. This subsection shall not apply to a State law which temporarily extended the duration of unemployment compensation benefits, if such State law provides for its expiration by reason of the enactment of this Act.

Veterans and Federal Employees

In States Which Do Not Have Agreements, and So Forth

Sec. 103. (a) For the purpose of paying the temporary unemployment compensation provided in this Act to individuals—

(1) who have, after June 30, 1957, exhausted their rights to unemployment compensation under title XV of the Social Security Act or title IV of the Veterans' Readjustment Assistance Act of 1952, and

(2) in a State, if there is no agreement entered into under section 102 which applies with respect to the weeks of unemployment concerned,

the Secretary is authorized to extend any existing agreement with such State. Any such extension shall apply only to weeks of unemployment beginning after such extension is made. For the purposes of this Act, any such extension shall be treated as an agreement entered into under this Act.

In Puerto Rico and the Virgin Islands

(b) For the purpose of paying the temporary unemployment compensation provided in this Act to individuals—

(1) who have, after June 30, 1957, exhausted their rights to unemployment compensation under title XV of the Social Security Act or title IV of the Veterans' Readjustment Assistance Act of 1952, and

(2) in Puerto Rico or the Virgin Islands, the Secretary is authorized to utilize the personnel and facilities of the agencies in Puerto Rico and the Virgin Islands cooperating with the United States Employment Service under the Act of June 6, 1933 (29 U.S.C. 49 et seq.), and may delegate to officials of such agencies any authority granted to him by this Act whenever the Secretary determines such delegation to be necessary in carrying out the purposes of this Act; and may allocate or transfer funds or otherwise pay or reimburse such agencies for the total cost of the temporary unemployment compensation paid under this Act and for expenses incurred in carrying out the purposes of this Act.

Review

(c) Any individual referred to in subsection (b) whose claim for temporary unemployment compensation under this Act has been denied shall be entitled to a fair hearing and review as provided in section 1503(c) of the Social Security Act (42 U.S.C. 1363(c)).

Repayment

Sec. 104. The total credits allowed under section 3302(c) of the Federal Unemployment Tax Act (26 U.S.C. 3302(c)) to taxpayers with respect to wages attributable to a State shall be reduced—

(1) for the taxable year beginning on January 1, 1963, by 5 percent of the tax imposed by section 3301 of the Federal Unemployment Tax Act, and

(2) for any succeeding taxable year, by 10 percent of the tax imposed by said section 3301,

unless and until the Secretary of the Treasury finds that before November 10 of the taxable year there have been restored to the Treasury the amounts of temporary unemployment compensation paid in the State under this Act (except amounts paid to individuals who exhausted their unemployment compensation under title XV of the Social Security Act and title IV of the Veterans' Readjustment Assistance Act of 1952 prior to their making their first claims under this Act), the

amount of costs incurred in the administration of this Act with respect to the State, and the amount estimated by the Secretary of Labor as the State's proportionate share of other costs incurred in the administration of this Act. In applying clauses (1) and (2) of the preceding sentence, the tax imposed by section 3301 of the Federal Unemployment Tax Act shall be computed at the rate of 3 percent in lieu of the rate provided by such section. At the request (made before November 1 of the taxable year) of the Governor of any State, the Secretary of Labor shall, as soon as practicable after June 30 or (if later) the date of the receipt of such request, certify to such Governor and to the Secretary of the Treasury the amount he estimates for the taxable year beginning on January 1, 1963, equals .15 percent (and for any succeeding taxable year equals .3 percent) of the total of the remuneration which would have been subject to contributions under the State unemployment compensation law with respect to the calendar year preceding such certification if the dollar limit on remuneration subject to contributions under such law were equal to the dollar limit under section 3306(b)(1) of the Federal Unemployment Tax Act for such calendar year. If, after receiving such certification and before November 10 of the taxable year, the State restores to the general fund of the Treasury the amount so certified (and designates such restoration as being made for purposes of this sentence), the reduction provided by the first sentence of this section shall not apply for such taxable year.

TITLE II—GENERAL PROVISIONS

Definitions

Sec. 201. For the purposes of this Act—

(1) The term "Secretary" means the Secretary of Labor.
 (2) The term "State" includes the District of Columbia, Alaska, and Hawaii.

(3) The term "first claim" means the first request for determination of benefit status under this Act on the basis of which a weekly benefit amount under this Act is established, without regard to whether or not any benefits are paid.

Review

Sec. 202. Any determination by a State agency with respect to entitlement to temporary unemployment compensation pursuant to an agreement under this Act shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent.

Penalties

False Statements, and So Forth

Sec. 203. (a) Whoever makes a false statement or representation of a material fact knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase for himself or for any other individual any payment under this Act shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

Recovery of Overpayments

(b) (1) If a State agency or the Secretary, as the case may be, or a court of competent jurisdiction, finds that any person—

(A) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed, or caused another to fail, to disclose a material fact, and

(B) as a result of such action has received any payment under this Act to which he was not entitled, such person shall be liable to repay such amount to the State agency or the Secretary, as the case may be. In lieu of requiring the repayment of any amount under this paragraph, the State agency or the Secretary, as the case may be, may recover such amount by deductions from any compensation payable to such person under this Act. Any such finding by a State agency or the Secretary, as the case may be, may be made only after an opportunity for a fair hearing, subject to such further review as may be appropriate under sections 103(c) and 202 of this Act.

(2) Any amount repaid to a State agency under paragraph (1) shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary under paragraph (1) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

Information

Sec. 204. The agency administering the unemployment compensation law of any State shall furnish to the Secretary (on a reimbursable basis) such information as he may find necessary or appropriate in carrying out the provisions of this Act.

Payments to States

Payment on Calendar Month Basis

Sec. 205. (a) There shall be paid to each State which has an agreement under this Act, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

Certification

(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment—

(1) to each State which has an agreement under this Act sums payable to such State under subsection (a), and

(2) to each State such amounts as the Secretary determines to be necessary for the proper and efficient administration of this Act in such State.

The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds appropriated for carrying out the purposes of this Act.

Money To Be Used Only for Purposes for Which Paid

(c) All money paid a State under this Act shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this Act, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this Act may be made.

Surety Bonds

(d) An agreement under this Act may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this Act.

Liability of Certifying Officers

(e) No person designated pursuant to an agreement under this Act as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this Act.

Liability of Disbursing Officers

(f) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this Act if it was based upon a voucher signed by a certifying officer designated as provided in subsection (e) of this section.

Denial of Benefits to Aliens Employed by Communist Governments or Organizations

Sec. 206. No person who is an alien shall be entitled to any benefit under this Act for any week of unemployment if, at any time on or after the first day of his applicable base period and before the beginning of such week, he was at any time employed by—

(1) a foreign government which, at the time of such employment, was Communist or under Communist control, or any agency or instrumentality of any such foreign government, or

(2) any organization if, at the time of such employment (A) such organization was registered under section 7 of the Subversive

Activities Control Act of 1950 (50 U.S.C. 786), or (B) there was in effect a final order of the Subversive Activities Control Board requiring such organization to register under section 7 of such act or determining that it is a Communist-infiltrated organization.

Regulations

Sec. 207. The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act.

Authorization of Appropriations

Sec. 208. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this Act.

TITLE 5 U.S.C.—GOVERNMENT ORGANIZATION AND EMPLOYEES

CHAPTER 83.—RETIREMENT

§ 8332. CREDITABLE SERVICE.

* * * * *

(Military Service Exclusion)*

(j) Notwithstanding any other provision of this section, military service, except military service covered by military leave with pay from a civilian position, performed by an individual after December 1956, and the period of an individual's service as a volunteer or volunteer leader under chapter 34 of title 22, shall be excluded in determining the aggregate period of service on which an annuity payable under this subchapter to the individual or to his widow or child is based, if the individual, widow, or child is entitled, or would on proper application be entitled, at the time of that determination, to monthly old-age or survivors benefits under section 402 of title 42 based on the individual's wages and self-employment income. If the military service or service as a volunteer or volunteer leader under chapter 34 of title 22 is not excluded by the preceding sentence, but on becoming 62 years of age, the individual or widow becomes entitled, or would on proper application be entitled, to the described benefits, the Civil Service Commission shall redetermine the aggregate period of service on which the annuity is based, effective as of the first day of the month in which he or she becomes 62 years of age, so as to exclude that service. The Secretary of Health, Education, and Welfare, on request of the Commission, shall inform the Commission whether or not the individual, widow, or child is entitled at any named time to the described benefits. For the purpose of this subsection, the period of an individual's service as a volunteer or volunteer leader under chapter 34 of title 22 is the period between enrollment as a volunteer or volunteer leader and termination of that service by the President or by death or resignation.

*P.L. 89-554, 80 Stat. 378, approved September 6, 1966, codified as section 8332(j) of title 5 of the United States Code the former section 3(j) of the Civil Service Retirement Act of May 29, 1930, as amended (46 Stat. 468).

CHAPTER 85.—UNEMPLOYMENT COMPENSATION ¹

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SUBCHAPTER I—EMPLOYEES GENERALLY

§ 8501. DEFINITIONS.

For the purpose of this subchapter—

(1) "Federal service" means service performed after 1952 in the employ of the United States or an instrumentality of the United States which is wholly or partially owned by the United States, but does not include service (except service to which subchapter II of this chapter applies) performed—

(A) by an elective official in the executive or legislative branch;

(B) as a member of the armed forces;²

(C) by Foreign Service personnel for whom special separation allowances are provided under chapter 14 of title 22;

(D) outside the United States, the Commonwealth of Puerto Rico, and the Virgin Islands by an individual who is not a citizen of the United States;

(E) by an individual excluded by regulations of the Civil Service Commission from the operation of subchapter III of chapter 83 of this title because he is paid on a contract or fee basis;

(F) by an individual receiving nominal pay and allowances of \$12 or less a year;

(G) in a hospital, home, or other institution of the United States by a patient or inmate thereof;

(H) by a student-employee as defined by section 5351 of this title;

(I) by an individual serving on a temporary basis in case of fire, storm, earthquake, flood, or other similar emergency;

¹ Chapter 85 of title 5 is administered by the United States Department of Labor. P.L. 89-554, 80 Stat. 378, approved September 6, 1966, repealed title XV of the Social Security Act (68 Stat. 1130 ; 72 Stat. 1087), and codified the provisions thereof as chapter 85 of title 5 of the United States Code.

² The term "Federal service", in regard to ex-servicemen, is defined in § 8521(a) (1) of this chapter.

(J) by an individual employed under a Federal relief program to relieve him from unemployment;

(K) as a member of a State, county, or community committee under the Agricultural Stabilization and Conservation Service or of any other board, council, committee, or other similar body, unless the board, council, committee, or other body is composed exclusively of individuals otherwise in the full-time employ of the United States; or

(L) by an officer or a member of the crew on or in connection with an American vessel—

(i) owned by or bareboat chartered to the United States; and

(ii) whose business is conducted by a general agent of the Secretary of Commerce;

if contributions on account of the service are required to be made to an unemployment fund under a State unemployment compensation law under section 3305(g) of title 26;

(2) "Federal wages" means all pay and allowances, in cash and in kind, for Federal service;³

(3) "Federal employee" means an individual who has performed Federal service;

(4) "compensation" means cash benefits payable to an individual with respect to his unemployment including any portion thereof payable with respect to dependents;

(5) "benefit year" means the benefit year as defined by the applicable State unemployment compensation law, and if not so defined the term means the period prescribed in the agreement under this subchapter with a State or, in the absence of such an agreement, the period prescribed by the Secretary of Labor;

(6) "State" means the several States, the District of Columbia and the Commonwealth of Puerto Rico; and

(7) "United States", when used in a geographical sense, means the States.

§ 8502. COMPENSATION UNDER STATE AGREEMENT.

(a) The Secretary of Labor, on behalf of the United States, may enter into an agreement with a State, or with an agency administering the unemployment compensation law of a State, under which the State agency shall—

(1) pay, as agent of the United States, compensation under this subchapter to Federal employees; and

(2) otherwise cooperate with the Secretary and with other State agencies in paying compensation under this subchapter.

(b) Except as provided by subsection (c) of this section, the agreement shall provide that compensation will be paid by the State to a Federal employee in the same amount, on the same terms, and subject to the same conditions as the compensation which would be payable to him under the unemployment compensation law of the State if his Federal service and Federal wages assigned under section 8504 of this

³ The term "Federal wages" in regard to ex-servicemen is defined in § 8521(a)(2) of this chapter.

title to the State had been included as employment and wages under that State law.

(c) In the case of the Commonwealth of Puerto Rico, the agreement shall provide that compensation will be paid by the Commonwealth to a Federal employee whose Federal service and Federal wages are assigned under section 8504 of this title to the Commonwealth (but only in the case of weeks of unemployment beginning before January 1, 1966), in the same amount, on the same terms, and subject to the same conditions as the compensation which would be payable to him under the unemployment compensation law of the District of Columbia if his Federal service and Federal wages had been included as employment and wages under that law. However, if the Federal employee, without regard to his Federal service and Federal wages, has employment or wages sufficient to qualify for compensation during the benefit year under that law, then payments of compensation under this subsection may be made only on the basis of his Federal service and Federal wages. In applying this subsection, employment and wages under the unemployment compensation law of the Commonwealth may not be combined with Federal service or Federal wages.

(d) A determination by a State agency with respect to entitlement to compensation under an agreement is subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

(e) Each agreement shall provide the terms and conditions on which it may be amended or terminated.

§ 8503. COMPENSATION ABSENT STATE AGREEMENT.

(a) In the case of a Federal employee whose Federal service and Federal wages are assigned under section 8504 of this title to a State which does not have an agreement with the Secretary of Labor, the Secretary, under regulations prescribed by him, shall, on the filing by the Federal employee of a claim for compensation under this subsection, pay compensation to him in the same amount, on the same terms, and subject to the same conditions as would be paid to him under the unemployment compensation law of the State if his Federal service and Federal wages had been included as employment and wages under that State law. However, if the Federal employee, without regard to his Federal service and Federal wages, has employment or wages sufficient to qualify for compensation during the benefit year under that State law, then payments of compensation under this subsection may be made only on the basis of his Federal service and Federal wages. For the purpose of this subsection, "State" does not include the Commonwealth of Puerto Rico in the case of weeks of unemployment beginning before January 1, 1966.

(b) In the case of a Federal employee whose Federal service and Federal wages are assigned under section 8504 of this title to—

(1) the Virgin Islands; or

(2) the Commonwealth of Puerto Rico with respect to weeks

of unemployment beginning before January 1, 1966;

the Secretary, under regulations prescribed by him and on the filing of a claim for compensation under this subsection by the Federal employee, shall pay the compensation to him in the same amounts, on

the same terms, and subject to the same conditions as would be paid to him under the unemployment compensation law of the District of Columbia if his Federal service and Federal wages had been included as employment and wages under that law. However, if the Federal employee, without regard to his Federal service and Federal wages, has employment or wages sufficient to qualify for compensation during the benefit year under that law, then payments of compensation under this subsection may be made only on the basis of his Federal service and Federal wages. In the case of weeks of unemployment beginning before January 1, 1966, this subsection applies with respect to the Commonwealth of Puerto Rico only if the Commonwealth does not have an agreement under this subchapter with the Secretary. In applying this subsection, employment and wages under the unemployment compensation law of the Commonwealth may not be combined with Federal service or Federal wages.

(c) A Federal employee whose claim for compensation under subsection (a) or (b) of this section is denied is entitled to a fair hearing under regulations prescribed by the Secretary. A final determination by the Secretary with respect to entitlement to compensation under this section is subject to review by the courts in the same manner and to the same extent as is provided by section 405(g) of title 42.

(d) For the purpose of this section, the Secretary may—

(1) use the personnel and facilities of the agency in the Virgin Islands cooperating with the United States Employment Service under chapter 4B of title 29;⁴ and

(2) delegate to officials of that agency the authority granted to him by this section when he considers the delegation to be necessary in carrying out the purpose of this subchapter.

For the purpose of payments made to that agency under chapter 4B of title 29, the furnishing of the personnel and facilities is deemed a part of the administration of the public employment offices of that agency

§ 8504. ASSIGNMENT OF FEDERAL SERVICE AND WAGES.

Under regulations prescribed by the Secretary of Labor, the Federal service and Federal wages of a Federal employee shall be assigned to the State in which he had his last official station in Federal service before the filing of his first claim for compensation for the benefit year. However—

(1) if, at the time of filing his first claim, he resides in another State in which he performed, after the termination of his Federal service, service covered under the unemployment compensation law of the other State, his Federal service and Federal wages shall be assigned to the other State;

(2) if his last official station in Federal service, before filing his first claim, was outside the United States, his Federal service and Federal wages shall be assigned to the State where he resides at the time he files his first claim; and

(3) if his first claim is filed—

(A) before January 1, 1966, while he is residing in the Commonwealth of Puerto Rico; or

⁴ The Wagner-Peyser Act (secs. 49–49c, 49d, and 49e–49k of title 29, United States Code). See p. 968, vol. II.

(B) while he is residing in the Virgin Islands; his Federal service and Federal wages shall be assigned to the one in which he resides.

In the case of a first claim filed before January 1, 1966, "United States" in paragraph (2) of this section does not include the Commonwealth of Puerto Rico.

§ 8505. PAYMENTS TO STATES.

(a) Each State is entitled to be paid by the United States an amount equal to the additional cost to the State of payments of compensation in accordance with an agreement under this subchapter which would not have been made by the State but for the agreement.

(b) Each State shall be paid, either in advance or by way of reimbursement, as may be determined by the Secretary of Labor, the sum that the Secretary estimates the State is entitled to receive under this subchapter for each calendar month. The sum shall be reduced or increased by the amount which the Secretary finds that his estimate for an earlier calendar month was greater or less than the sum which should have been paid to the State. An estimate may be made on the basis of a statistical, sampling, or other method agreed on by the Secretary and the State agency.

(c) The Secretary, from time to time, shall certify to the Secretary of the Treasury the sum payable to each State under this section. The Secretary of the Treasury, before audit or settlement by the General Accounting Office, shall pay the State in accordance with the certification from the funds for carrying out the purposes of this subchapter.

(d) Money paid a State under this subchapter may be used solely for the purposes for which it is paid. Money so paid which is not used for these purposes shall be returned, at the time specified by the agreement, to the Treasury of the United States and credited to current applicable appropriations, funds, or accounts from which payments to States under this subchapter may be made.

(e) An agreement may—

(1) require each State officer or employee who certifies payments or disburses funds under the agreement, or who otherwise participates in its performance, to give a surety bond to the United States in the amount the Secretary considers necessary; and

(2) provide for payment of the cost of the bond from funds for carrying out the purposes of this subchapter.

(f) In the absence of gross negligence or intent to defraud the United States, an individual designated by the Secretary, or designated under an agreement, as a certifying official is not liable for the payment of compensation certified by him under this subchapter.

(g) In the absence of gross negligence or intent to defraud the United States, a disbursing official is not liable for a payment by him under this subchapter if it was based on a voucher signed by a certifying official designated as provided by subsection (f) of this section.

(h) For the purpose of payments made to a State under subchapter III of chapter 7 of title 42, administration by a State agency under an agreement is deemed a part of the administration of the State unemployment compensation law.

§ 8506. DISSEMINATION OF INFORMATION.

(a) Each agency of the United States and each wholly or partially owned instrumentality of the United States shall make available to State agencies which have agreements under this subchapter, or to the Secretary of Labor, as the case may be, such information concerning the Federal service and Federal wages of a Federal employee as the Secretary considers practicable and necessary for the determination of the entitlement of the Federal employee to compensation under this subchapter. The information shall include the findings of the employing agency concerning—

- (1) whether or not the Federal employee has performed Federal service;
- (2) the periods of Federal service;
- (3) the amount of Federal wages; and
- (4) the reasons for termination of Federal service.

The employing agency shall make the findings in the form and manner prescribed by regulations of the Secretary. The regulations shall include provision for correction by the employing agency of errors and omissions. Findings made in accordance with the regulations are final and conclusive for the purpose of sections 8502(d) and 8503(c) of this title. This subsection does not apply with respect to Federal service and Federal wages covered by subchapter II of this chapter.

(b) The agency administering the unemployment compensation law of a State shall furnish the Secretary such information as he considers necessary or appropriate in carrying out this subchapter. The information is deemed the report required by the Secretary for the purpose of section 503(a)(6) of title 42.

§ 8507. FALSE STATEMENTS AND MISREPRESENTATIONS.

(a) If a State agency, the Secretary of Labor, or a court of competent jurisdiction finds that an individual—

- (1) knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact; and

(2) as a result of that action has received an amount as compensation under this subchapter to which he was not entitled; the individual shall repay the amount to the State agency or the Secretary. Instead of requiring repayment under this subsection, the State agency or the Secretary may recover the amount by deductions from compensation payable to the individual under this subchapter during the 2-year period after the date of the finding. A finding by a State agency or the Secretary may be made only after an opportunity for a fair hearing, subject to such further review as may be appropriate under sections 8502(d) and 8503(c) of this title.

(b) An amount repaid under subsection (a) of this section shall be—

- (1) deposited in the fund from which payment was made, if the repayment was to a State agency; or

(2) returned to the Treasury of the United States and credited to the current applicable appropriation, fund, or account from which payment was made, if the repayment was to the Secretary.

§ 8508. REGULATIONS.

The Secretary of Labor may prescribe rules and regulations necessary to carry out this subchapter and subchapter II of this chapter. The Secretary, insofar as practicable, shall consult with representatives of the State unemployment compensation agencies before prescribing rules or regulations which may affect the performance by the State agencies of functions under agreements under this subchapter.

SUBCHAPTER II—EX-SERVICEMEN

§ 8521. DEFINITIONS; APPLICATION.

(a) For the purpose of this subchapter—

(1) "Federal service" means active service, including active duty for training purposes, in the armed forces which either began after January 31, 1955, or terminated after October 27, 1958, if—

(A) that service was continuous for 90 days or more, or was terminated earlier because of an actual service-incurred injury or disability; and

(B) with respect to that service, the individual—

(i) was discharged or released under conditions other than dishonorable; and

(ii) was not given a bad conduct discharge, or, if an officer, did not resign for the good of the service; and

(2) "Federal wages" means all pay and allowances, in cash and in kind, for Federal service, computed on the basis of the pay and allowances for the pay grade of the individual at the time of his latest discharge or release from Federal service as specified in the schedule applicable at the time he files his first claim for compensation for the benefit year. The Secretary of Labor shall issue, from time to time, after consultation with the Secretary of Defense, schedules specifying the pay and allowances for each pay grade of servicemen covered by this subchapter, which reflect representative amounts for appropriate elements of the pay and allowances whether in cash or in kind.

(b) The provisions of subchapter I of this chapter, subject to the modifications made by this subchapter, apply to individuals who have had Federal service as defined by subsection (a) of this section.

§ 8522. ASSIGNMENT OF FEDERAL SERVICE AND WAGES.

Notwithstanding section 8504 of this title, Federal service and Federal wages not previously assigned shall be assigned to the State or to the Virgin Islands, as the case may be, in which the claimant first files claim for unemployment compensation after his latest discharge or release from Federal service. This assignment is deemed an assignment under section 8504 of this title for the purpose of this subchapter.

§ 8523. DISSEMINATION OF INFORMATION.

(a) When designated by the Secretary of Labor, an agency of the United States shall make available to the appropriate State agency or to the Secretary, as the case may be, such information, including findings in the form and manner prescribed by regulations of the Secretary, as the Secretary considers practicable and necessary for

the determination of the entitlement of an individual to compensation under this subchapter.

(b) Subject to correction of errors and omissions as prescribed by regulations of the Secretary, the following are final and conclusive for the purpose of sections 8502(d) and 8503(c) of this title:

(1) Findings by an agency of the United States made in accordance with subsection (a) of this section with respect to—

(A) whether or not an individual has met any condition specified by section 8521(a)(1) of this title;

(B) the periods of Federal service; and

(C) the pay grade of the individual at the time of his latest discharge or release from Federal service.

(2) The schedules of pay and allowances prescribed by the Secretary under section 8521(a)(2) of this title.

§ 8524. ACCRUED LEAVE.

For the purpose of this subchapter, a payment for unused accrued leave under section 501(b) of title 37 at the termination of Federal service is deemed—

(1) to continue that Federal service during the period after the termination with respect to which the individual received the payment; and

(2) Federal wages, subject to regulations prescribed by the Secretary of Labor concerning allocation over the period after termination.

§ 8525. EFFECT ON OTHER STATUTES.

(a) An individual eligible to receive a mustering-out payment under chapter 43 of title 38 is not entitled to compensation under this subchapter with respect to weeks of unemployment completed—

(1) within 30 days after his discharge or release if he receives \$100 in mustering-out payments;

(2) within 60 days after his discharge or release if he receives \$200 in mustering-out payments; or

(3) within 90 days after his discharge or release if he receives \$300 in mustering-out payments.

(b) An individual is not entitled to compensation under this subchapter for any period with respect to which he receives—

(1) a subsistence allowance under chapter 31 of title 38 or under part VIII of Veterans Regulation Numbered 1(a); or

(2) an educational assistance allowance under chapter 35 of title 38.

TITLE 18 U.S.C.—CRIMES AND CRIMINAL PROCEDURE

CHAPTER 37.—ESPIONAGE AND CENSORSHIP

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¹ Two secs. 798 were enacted into law.

§ 792. HARBORING OR CONCEALING PERSONS.

Whoever harbors or conceals any person who he knows, or has reasonable grounds to believe or suspect, has committed, or is about to commit, an offense under sections 793 or 794 of this title, shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

§ 793. GATHERING, TRANSMITTING, OR LOSING DEFENSE INFORMATION.

(a) Whoever, for the purpose of obtaining information respecting the national defense with intent or reason to believe that the information is to be used to the injury of the United States, or to the advantage of any foreign nation, goes upon, enters, flies over, or otherwise obtains information concerning any vessel, aircraft, work of defense, navy yard, naval station, submarine base, fueling station, fort, battery, torpedo station, dockyard, canal, railroad, arsenal, camp, factory, mine, telegraph, telephone, wireless, or signal station, building, office research laboratory or station or other place connected with the national defense owned or constructed, or in progress of construction by the United States or under the control of the United States, or of any of its officers, departments, or agencies, or within the exclusive jurisdiction of the United States, or any place in which any vessel, aircraft, arms, munitions, or other materials or instruments for use in time of war are being made, prepared, repaired, stored, or are the subject of research or development, under any contract or agreement with the United States, or any department or agency thereof, or with any person on behalf of the United States, or otherwise on behalf of the United States, or any prohibited place so designated by the President by proclamation in time of war or in case of national emergency in which anything for the use of the Army, Navy, or Air

Force is being prepared or constructed or stored, information as to which prohibited place the President has determined would be prejudicial to the national defense; or

(b) Whoever, for the purpose aforesaid, and with like intent or reason to believe, copies, takes, makes, or obtains, or attempts to copy, take, make, or obtain, any sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, document, writing, or note of anything connected with the national defense; or

(c) Whoever, for the purpose aforesaid, receives or obtains or agrees or attempts to receive or obtain from any person, or from any source whatever, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note of anything connected with the national defense, knowing or having reason to believe, at the time he receives or obtains, or agrees or attempts to receive or obtain it, that it has been or will be obtained, taken, made, or disposed of by any person contrary to the provisions of this chapter; or

(d) Whoever, lawfully having possession of, access to, control over, or being entrusted with any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits or causes to be communicated, delivered, or transmitted or attempts to communicate, deliver, transmit or cause to be communicated, delivered or transmitted the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it on demand to the officer or employee of the United States entitled to receive it; or

(e) Whoever having unauthorized possession of, access to, or control over any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit or cause to be communicated, delivered, or transmitted the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it to the officer or employee of the United States entitled to receive it; or

(f) Whoever, being entrusted with or having lawful possession or control of any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, note, or information, relating to the national defense, (1) through gross negligence permits the same to be removed from its proper place of custody or delivered to anyone in violation of his trust, or to be lost, stolen, abstracted, or destroyed, or (2) having knowledge that the same has been illegally removed from its proper place of

custody or delivered to anyone in violation of its trust, or lost, or stolen, abstracted, or destroyed, and fails to make prompt report of such loss, theft, abstraction, or destruction to his superior officer—

Shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

(g) If two or more persons conspire to violate any of the foregoing provisions of this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be subject to the punishment provided for the offense which is the object of such conspiracy.

§ 794. GATHERING OR DELIVERING DEFENSE INFORMATION TO AID FOREIGN GOVERNMENT.

(a) Whoever, with intent or reason to believe that it is to be used to the injury of the United States or to the advantage of a foreign nation, communicates, delivers, or transmits, or attempts to communicate, deliver, or transmit, to any foreign government, or to any faction or party or military or naval force within a foreign country, whether recognized or unrecognized by the United States, or to any representative, officer, agent, employee, subject, or citizen thereof, either directly or indirectly, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, note, instrument, appliance, or information relating to the national defense, shall be punished by death or by imprisonment for any term of years or for life.

(b) Whoever, in time of war, with intent that the same shall be communicated to the enemy, collects, records, publishes, or communicates, or attempts to elicit any information with respect to the movement, numbers, description, condition, or disposition of any of the Armed Forces, ships, aircraft, or war materials of the United States, or with respect to the plans or conduct, or supposed plans or conduct of any naval or military operations, or with respect to any works or measures undertaken for or connected with, or intended for the fortification or defense of any place, or any other information relating to the public defense, which might be useful to the enemy, shall be punished by death or by imprisonment for any term of years or for life.

(c) If two or more persons conspire to violate this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be subject to the punishment provided for the offense which is the object of such conspiracy.

§ 795. PHOTOGRAPHING AND SKETCHING DEFENSE INSTALLATIONS.

(a) Whenever, in the interests of national defense, the President defines certain vital military and naval installations or equipment as requiring protection against the general dissemination of information relative thereto, it shall be unlawful to make any photograph, sketch, picture, drawing, map, or graphical representation of such vital military and naval installations or equipment without first obtaining permission of the commanding officer of the military or naval post, camp, or station, or naval vessels, military and naval aircraft, and any separate military or naval command concerned, or higher authority, and promptly submitting the product obtained to such commanding officer

or higher authority for censorship or such other action as he may deem necessary.

(b) Whoever violates this section shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

§ 796. USE OF AIRCRAFT FOR PHOTOGRAPHING DEFENSE INSTALLATIONS.

Whoever uses or permits the use of an aircraft or any contrivance used, or designed for navigation or flight in the air, for the purpose of making a photograph, sketch, picture, drawing, map, or graphical representation of vital military or naval installations or equipment, in violation of section 795 of this title, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

§ 797. PUBLICATIONS AND SALE OF PHOTOGRAPHS OF DEFENSE INSTALLATIONS.

On and after thirty days from the date upon which the President defines any vital military or naval installation or equipment as being within the category contemplated under section 795 of this title, whoever reproduces, publishes, sells, or gives away any photograph, sketch, picture, drawing, map or graphical representation of the vital military or naval installations or equipment so defined, without first obtaining permission of the commanding officer of the military or naval post, camp, or station concerned, or higher authority, unless such photograph, sketch, picture, drawing, map, or graphical representation has clearly indicated thereon that it has been censored by the proper military or naval authority, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

§ 798. DISCLOSURE OF CLASSIFIED INFORMATION.²

(a) Whoever knowingly and willfully communicates, furnishes, transmits, or otherwise makes available to an unauthorized person, or publishes, or uses in any manner prejudicial to the safety or interest of the United States or for the benefit of any foreign government to the detriment of the United States any classified information—

(1) concerning the nature, preparation, or use of any code, cipher, or cryptographic system of the United States or any foreign government; or

(2) concerning the design, construction, use, maintenance, or repair of any device, apparatus, or appliance used or prepared or planned for use by the United States or any foreign government for cryptographic or communication intelligence purposes; or

(3) concerning the communication intelligence activities of the United States or any foreign government; or

(4) obtained by the process of communication intelligence from the communications of any foreign government, knowing the same to have been obtained by such processes—

Shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

(b) As used in subsection (a) of this section—

The term "classified information" means information which, at the time of a violation of this section, is, for reasons of national security,

² Two secs. 798 were enacted into law. See second sec. 798, below.

specifically designated by United States Government Agency for limited or restricted dissemination or distribution;

The terms "code," "cipher," and "cryptographic system" include in their meanings, in addition to their usual meanings, any method of secret writing and any mechanical or electrical device or method used for the purpose of disguising or concealing the contents, significance, or meanings of communications;

The term "foreign government" includes in its meaning any person or persons acting or purporting to act for or on behalf of any faction, party, department, agency, bureau, or military force of or within a foreign country, or for or on behalf of any government or any person or persons purporting to act as a government within a foreign country, whether or not such government is recognized by the United States;

The term "communication intelligence" means all procedures and methods used in the interception of communications and the obtaining of information from such communications by other than the intended recipients;

The term "unauthorized person" means any person who, or agency which, is not authorized to receive information of the categories set forth in subsection (a) of this section, by the President, or by the head of a department or agency of the United States Government which is expressly designated by the President to engage in communication intelligence activities for the United States.

(c) Nothing in this section shall prohibit the furnishing, upon lawful demand, of information to any regularly constituted committee of the Senate or House of Representatives of the United States of America, or joint committee thereof.

§ 798. TEMPORARY EXTENSION OF SECTION 794.

The provisions of section 794 of this title, as amended and extended by section 1(a) (29) of the Emergency Powers Continuation Act (66 Stat. 333), as further amended by Public Law 12, Eighty-third Congress, in addition to coming into full force and effect in time of war shall remain in full force and effect until six months after the termination of the national emergency proclaimed by the President on December 16, 1950 (Proc. 2912, 3 C.F.R., 1950 Supp., p. 71),³ or such earlier date as may be prescribed by concurrent resolution of the Congress, and acts which would give rise to legal consequences and penalties under section 794 when performed during a state of war shall give rise to the same legal consequences and penalties when they are performed during the period above provided for.

§ 799. VIOLATION OF REGULATIONS OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

Whoever willfully shall violate, attempt to violate, or conspire to violate any regulation or order promulgated by the Administrator of the National Aeronautics and Space Administration for the protection or security of any laboratory, station, base or other facility, or part thereof, or any aircraft, missile, spacecraft, or similar ve-

³ Proc. 2912, 3 C.F.R., 1950 Supp., p. 71, referred to in the text, is an erroneous citation. It should refer to Proc. 2914.

hicle, or part thereof, or other property or equipment in the custody of the Administration, or any real or personal property or equipment in the custody of any contractor under any contract with the Administration or any subcontractor of any such contractor, shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

CHAPTER 105—SABOTAGE

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§ 2151. DEFINITIONS.

As used in this chapter :

The words "war material" include arms, armament, ammunition, livestock, forage, forest products and standing timber, stores of clothing, air, water, food, foodstuffs, fuel, supplies, munitions and all articles, parts or ingredients, intended for, adapted to, or suitable for the use of the United States or any associate nation, in connection with the conduct of war or defense activities.

The words "war premises" include all buildings, grounds, mines, or other places, wherein such war material is being produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other installations of the Armed Forces of the United States, or any associate nation.

The words "war utilities" include all railroads, railways, electric lines, roads of whatever description, any railroad or railway fixture, canal, lock, dam, wharf, pier, dock, bridge, building, structure, engine, machine, mechanical contrivance, car, vehicle, boat, aircraft, airfields, air lanes, and fixtures or appurtenances thereof, or any other means of transportation whatsoever, whereon or whereby such war material or any troops of the United States, or of any associate nation, are being or may be transported either within the limits of the United States or upon the high seas or elsewhere; and all air-conditioning systems, dams, reservoirs, aqueducts, water and gas mains and pipes, structures and buildings, whereby or in connection with which air, water or gas is being furnished, or may be furnished, to any war premises or to the Armed Forces of the United States, or any associate nation, and all electric light and power, steam or pneumatic power, telephone and telegraph plants, poles, wires, and fixtures, and wireless stations, and the buildings connected with the maintenance and operation thereof used to supply air, water, light, heat, power, or facilities of communication to any war premises or to the Armed Forces of the United States, or any associate nation.

The words "associate nation" mean any nation at war with any nation with which the United States is at war.

The words "national-defense material" include arms, armament, ammunition, livestock, forage, forest products and standing timber, stores of clothing, air, water, food, foodstuffs, fuel, supplies, munitions, and all other articles of whatever description and any part or ingredient thereof, intended for, adapted to, or suitable for the use of the United States in connection with the national defense or for use in or in connection with the producing, manufacturing, repairing, storing, mining, extracting, distributing, loading, unloading, or transporting of any of the material or other articles hereinbefore mentioned or any part or ingredient thereof.

The words "national-defense premises" include all buildings, grounds, mines, or other places wherein such national-defense material is being produced, manufactured, repaired, stored, mined, extracted, distributed, loaded, unloaded, or transported, together with all machinery and appliances therein contained; and all forts, arsenals, navy yards, camps, prisons, or other installations of the Armed Forces of the United States.

The words "national-defense utilities" include all railroads, railways, electric lines, roads of whatever description, railroad or railway fixture, canal, lock, dam, wharf, pier, dock, bridge, building, structure, engine, machine, mechanical contrivance, car, vehicle, boat, aircraft, airfields, airplanes, and fixtures or appurtenances thereof, or any other means of transportation whatsoever, whereon or whereby such national-defense material, or any troops of the United States, are being or may be transported either within the limits of the United States or upon the high seas or elsewhere; and all air-conditioning systems, dams, reservoirs, aqueducts, water and gas mains and pipes, structures, and buildings, whereby or in connection with which air, water, or gas may be furnished to any national-defense premises or to the Armed Forces of the United States, and all electric light and power, steam or pneumatic power, telephone and telegraph plants, poles, wires, and fixtures and wireless stations, and the buildings connected with the maintenance and operation thereof used to supply air, water, light, heat, power, or facilities of communication to any national-defense premises or to the Armed Forces of the United States.

§ 2152. FORTIFICATIONS, HARBOR DEFENSES, OR DEFENSIVE SEA AREAS.

Whoever willfully trespasses upon, injures, or destroys any of the works or property or material of any submarine mine or torpedo or fortification or harbor-defense system owned or constructed or in process of construction by the United States; or

Whoever willfully interferes with the operation or use of any such submarine mine, torpedo, fortification, or harbor-defense system; or

Whoever knowingly, willfully, or wantonly violates any duty authorized and promulgated order or regulation of the President governing persons or vessels within the limits of defensive sea areas, which the President, for purposes of national defense, may from time to time establish by Executive order—

Shall be fined not more than \$5,000 or imprisoned not more than five years, or both.

§ 2153. DESTRUCTION OF WATER MATERIAL, WAR PREMISES, OR WAR UTILITIES.

(a) Whoever, when the United States is at war, or in times of national emergency as declared by the President or by the Congress, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war or defense activities, or, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war or defense activities, willfully injures, destroys, contaminates or infects, or attempts to so injure, destroy, contaminate or infect any war material, war premises, or war utilities, shall be fined not more than \$10,000 or imprisoned not more than thirty years, or both.

(b) If two or more persons conspire to violate this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be punished as provided in subsection (a) of this section.

§ 2154. PRODUCTION OF DEFECTIVE WAR MATERIAL, WAR PREMISES, OR WAR UTILITIES.

(a) Whoever, when the United States is at war, or in times of national emergency as declared by the President or by the Congress, with intent to injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war or defense activities, or, with reason to believe that his act may injure, interfere with, or obstruct the United States or any associate nation in preparing for or carrying on the war or defense activities, willfully makes, constructs, or causes to be made or constructed in a defective manner, or attempts to make, construct, or cause to be made or constructed in a defective manner any war material, war premises or war utilities, or any tool, implement, machine, utensil, or receptacle used or employed in making, producing, manufacturing, or repairing any such war material, war premises or war utilities, shall be fined not more than \$10,000 or imprisoned not more than thirty years, or both.

(b) If two or more persons conspire to violate this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be punished as provided in subsection (a) of this section.

§ 2155. DESTRUCTION OF NATIONAL-DEFENSE MATERIALS, NATIONAL-DEFENSE PREMISES OR NATIONAL-DEFENSE UTILITIES.

(a) Whoever, with intent to injure, interfere with, or obstruct the national defense of the United States, willfully injures, destroys, contaminates or infects, or attempts to so injure, destroy, contaminate or infect any national-defense material, national-defense premises, or national-defense utilities, shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

(b) If two or more persons conspire to violate this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be punished as provided in subsection (a) of this section.

§ 2156. PRODUCTION OF DEFECTIVE NATIONAL-DEFENSE MATERIAL, NATIONAL-DEFENSE PREMISES OR NATIONAL-DEFENSE UTILITIES.

(a) Whoever, with intent to injure, interfere with, or obstruct the national defense of the United States, willfully makes, constructs, or attempts to make or construct in a defective manner, any national-defense material, national-defense premises or national-defense utilities, or any tool, implement, machine, utensil, or receptacle used or employed in making, producing, manufacturing, or repairing any such national-defense material, national-defense premises or national-defense utilities, shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

(b) If two or more persons conspire to violate this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be punished as provided in subsection (a) of this section.

§ 2157. TEMPORARY EXTENSION OF SECTIONS 2153 AND 2154.

(a) The provisions of sections 2153 and 2154 of this title, as amended and extended by section 1 (a) (29) of the Emergency Powers Continuation Act (66 Stat. 333), as further amended by Public Law 12, Eighty-third Congress, in addition to coming into full force and effect in time of war shall remain in full force and effect until six months after the termination of the national emergency proclaimed by the President on December 16, 1950 (Proc. 2912, 3 C.F.R., 1950 Supp., p. 71),⁴ or such earlier date as may be prescribed by concurrent resolution of the Congress, and acts which would give rise to legal consequences and penalties under any of these provisions when performed during a state of war shall give rise to the same legal consequences and penalties when they are performed during the period above provided for.

* * * * *

CHAPTER 115.—TREASON, SEDITION, AND SUBVERSIVE ACTIVITIES

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§ 2381. TREASON.

Whoever, owing allegiance to the United States, levies war against them or adheres to their enemies, giving them aid and comfort within the United States or elsewhere, is guilty of treason and shall suffer death, or shall be imprisoned not less than five years and fined not less

⁴ Proc. 2912, 3 C.F.R., 1950 Supp., p. 71, referred to in the text is an erroneous citation. It should refer to Proc. 2914.

than \$10,000; and shall be incapable of holding any office under the United States.

§ 2382. MISPRISION OF TREASON.

Whoever, owing allegiance to the United States and having knowledge of the commission of any treason against them, conceals and does not, as soon as may be, disclose and make known the same to the President or to some judge of the United States, or to the governor or to some judge or justice of a particular State, is guilty of misprision of treason and shall be fined not more than \$1,000 or imprisoned not more than seven years, or both.

§ 2383. REBELLION OR INSURRECTION.

Whoever incites, sets on foot, assists, or engages in any rebellion or insurrection against the authority of the United States or the laws thereof, or gives aid or comfort thereto, shall be fined not more than \$10,000 or imprisoned not more than ten years, or both; and shall be incapable of holding any office under the United States.

§ 2384. SEDITIOUS CONSPIRACY.

If two or more persons in any State or Territory, or in any place subject to the jurisdiction of the United States, conspire to overthrow, put down, or to destroy by force the Government of the United States, or to levy war against them, or to oppose by force the authority thereof, or by force to prevent, hinder, or delay the execution of any law of the United States, or by force to seize, take, or possess any property of the United States contrary to the authority thereof, they shall each be fined not more than \$20,000 or imprisoned not more than twenty years, or both.

§ 2385. ADVOCATING OVERTHROW OF GOVERNMENT.

Whoever knowingly or willfully advocates, abets, advises, or teaches the duty, necessity, desirability, or propriety of overthrowing or destroying the government of the United States or the government of any State, Territory, District or possession thereof, or the government of any political subdivision therein, by force or violence, or by the assassination of any officer of any such government; or

Whoever, with intent to cause the overthrow or destruction of any such government, prints, publishes, edits, issues, circulates, sells, distributes, or publicly displays any written or printed matter advocating, advising, or teaching the duty, necessity, desirability, or propriety of overthrowing or destroying any government in the United States by force or violence, or attempts to do so; or

Whoever organizes or helps or attempts to organize any society, group, or assembly of persons who teach, advocate, or encourage the overthrow or destruction of any such government by force or violence; or becomes or is a member of, or affiliates with, any such society, group, or assembly of persons, knowing the purposes thereof—

Shall be fined not more than \$20,000 or imprisoned not more than twenty years, or both, and shall be ineligible for employment by the United States or any department or agency thereof, for the five years next following his conviction.

If two or more persons conspire to commit any offense named in this section, each shall be fined not more than \$20,000 or imprisoned

not more than twenty years, or both, and shall be ineligible for employment by the United States or any department or agency thereof, for the five years next following his conviction.

As used in this section, the terms "organizes" and "organize," with respect to any society, group, or assembly of persons, include the recruiting of new members, the forming of new units, and the regrouping or expansion of existing clubs, classes, and other units of such society, group, or assembly of persons.

§ 2386. REGISTRATION OF CERTAIN ORGANIZATIONS.

(A) For the purposes of this section:

"Attorney General" means the Attorney General of the United States;

"Organization" means any group, club, league, society, committee, association, political party, or combination of individuals, whether incorporated or otherwise, but such term shall not include any corporation, association, community chest, fund or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes;

"Political activity" means any activity the purpose or aim of which, or one of the purposes or aims of which, is the control by force or overthrow of the Government of the United States or a political subdivision thereof, or any State or political subdivision thereof;

An organization is engaged in "civilian military activity" if:

(1) it gives instruction to, or prescribes instruction for, its members in the use of firearms or other weapons or any substitute therefor, or military or naval science; or

(2) it receives from any other organization or from any individual instruction in military or naval science; or

(3) it engages in any military or naval maneuvers or activities; or

(4) it engages, either with or without arms, in drills or parades of a military or naval character; or

(5) it engages in any other form of organized activity which in the opinion of the Attorney General constitutes preparation for military action;

An organization is "subject to foreign control" if:

(a) it solicits or accepts financial contributions, loans, or support of any kind, directly or indirectly, from, or is affiliated directly or indirectly with, a foreign government or a political subdivision thereof, or an agent, agency, or instrumentality of a foreign government or political subdivision thereof, or a political party in a foreign country, or an international political organization; or

(b) its policies, or any of them, are determined by or at the suggestion of, or in collaboration with, a foreign government or political subdivision thereof, or an agent, agency, or instrumentality of a foreign government or a political subdivision thereof, or a political party in a foreign country, or an international political organization.

(B) (1) The following organizations shall be required to register with the Attorney General:

Every organization subject to foreign control which engages in political activity;

Every organization which engages both in civilian military activity and in political activity;

Every organization subject to foreign control which engages in civilian military activity; and

Every organization, the purpose or aim of which, or one of the purposes or aims of which, is the establishment, control, conduct, seizure, or overthrow of a government or subdivision thereof by the use of force, violence, military measures or threats of any one or more of the foregoing.

Every such organization shall register by filing with the Attorney General, on such forms and in such detail as the Attorney General may by rules and regulations prescribe, a registration statement containing the information and documents prescribed in subsection (B) (3) and shall within thirty days after the expiration of each period of six months succeeding the filing of such registration statement, file with the Attorney General, on such forms and in such detail as the Attorney General may by rules and regulations prescribe, a supplemental statement containing such information and documents as may be necessary to make the information and documents previously filed under this section accurate and current with respect to such preceding six months' period. Every statement required to be filed by this section shall be subscribed, under oath, by all of the officers of the organization.

(2) This section shall not require registration or the filing of any statement with the Attorney General by:

(a) The armed forces of the United States; or

(b) The organized militia or National Guard of any State, Territory, District, or possession of the United States; or

(c) Any law-enforcement agency of the United States or of any Territory, District or possession thereof, or of any State or political subdivision of a State, or of any agency or instrumentality of one or more States; or

(d) Any duly established diplomatic mission or consular office of a foreign government which is so recognized by the Department of State; or

(e) Any nationally recognized organization of persons who are veterans of the armed forces of the United States, or affiliates of such organizations.

(3) Every registration statement required to be filed by any organization shall contain the following information and documents:

(a) The name and post-office address of the organization in the United States, and the names and addresses of all branches, chapters, and affiliates of such organization;

(b) The name, address, and nationality of each officer, and of each person who performs the functions of an officer, of the organization, and of each branch, chapter, and affiliate of the organization;

(c) The qualifications for membership in the organization;

(d) The existing and proposed aims and purposes of the organization, and all the means by which these aims or purposes are being attained or are to be attained;

(e) The address or addresses of meeting places of the organization, and of each branch, chapter, or affiliate of the organization and the times of meetings;

(f) The name and address of each person who has contributed any money, dues, property, or other thing of value to the organization or to any branch, chapter, or affiliate of the organization;

(g) A detailed statement of the assets of the organization, and of each branch, chapter, and affiliate of the organization, the manner in which such assets were acquired, and a detailed statement of the liabilities and income of the organization and of each branch, chapter, and affiliate of the organization;

(h) A detailed description of the activities of the organization, and of each chapter, branch, and affiliate of the organization;

(i) A description of the uniforms, badges, insignia, or other means of identification prescribed by the organization, and worn or carried by its officers or members, or any of such officers or members;

(j) A copy of each book, pamphlet, leaflet, or other publication or item of written, printed, or graphic matter issued or distributed directly or indirectly by the organization, or by any chapter, branch, or affiliate of the organization, or by any of the members of the organization under its authority or within its knowledge, together with the name of its author or authors and the name and address of the publisher;

(k) A description of all firearms or other weapons owned by the organization, or by any chapter, branch, or affiliate of the organization, identified by the manufacturer's number thereon;

(l) In case the organization is subject to foreign control, the manner in which it is so subject;

(m) A copy of the charter, articles of association, constitution, by-laws, rules, regulations, agreements, resolutions, and all other instruments relating to the organization, powers, and purposes of the organization and to the powers of the officers of the organization and of each chapter, branch, and affiliate of the organization; and

(n) Such other information and documents pertinent to the purposes of this section as the Attorney General may from time to time require.

All statements filed under this section shall be public records and open to public examination and inspection at all reasonable hours under such rules and regulations as the Attorney General may prescribe.

(C) The Attorney General is authorized at any time to make, amend, and rescind such rules and regulations as may be necessary to carry out this section, including rules and regulations governing the statements required to be filed.

(D) Whoever violates any of the provisions of this section shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Whoever in a statement filed pursuant to this section willfully makes any false statement or willfully omits to state any fact which is required to be stated, or which is necessary to make the statements made not misleading, shall be fined not more than \$2,000 or imprisoned not more than five years, or both.

§ 2337. ACTIVITIES AFFECTING ARMED FORCES GENERALLY.

(a) Whoever, with intent to interfere with, impair, or influence the loyalty, morale, or discipline of the military or naval forces of the United States:

(1) advises, counsels, urges, or in any manner causes or attempts to cause insubordination, disloyalty, mutiny, or refusal of duty by any member of the military or naval forces of the United States; or

(2) distributes or attempts to distribute any written or printed matter which advises, counsels, or urges insubordination, disloyalty, mutiny, or refusal of duty by any member of the military or naval forces of the United States—

Shall be fined not more than \$10,000 or imprisoned not more than ten years, or both, and shall be ineligible for employment by the United States or any department or agency thereof, for the five years next following his conviction.

(b) For the purposes of this section, the term “military or naval forces of the United States” includes the Army of the United States, the Navy, Air Force, Marine Corps, Coast Guard, Naval Reserve, Marine Corps Reserve, and Coast Guard Reserve of the United States; and, when any merchant vessel is commissioned in the Navy or is in the service of the Army or the Navy, includes the master, officers, and crew of such vessel.

§ 2338. ACTIVITIES AFFECTING ARMED FORCES DURING WAR.

(a) Whoever, when the United States is at war, willfully makes or conveys false reports or false statements with intent to interfere with the operation or success of the military or naval forces of the United States or to promote the success of its enemies; or

Whoever, when the United States is at war, willfully causes or attempts to cause insubordination, disloyalty, mutiny, or refusal of duty, in the military or naval forces of the United States, or willfully obstructs the recruiting or enlistment service of the United States, to the injury of the service or the United States, or attempts to do so—

Shall be fined not more than \$10,000 or imprisoned not more than twenty years, or both.

(b) If two or more persons conspire to violate subsection (a) of this section and one or more such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be punished as provided in said subsection (a).

(c) Whoever harbors or conceals any person who he knows, or has reasonable grounds to believe or suspect, has committed, or is about to commit, an offense under this section, shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

(d) This section shall apply within the admiralty and maritime jurisdiction of the United States, and on the high seas, as well as within the United States.

§ 2339. RECRUITING FOR SERVICE AGAINST UNITED STATES.

Whoever recruits soldiers or sailors within the United States, or in any place subject to the jurisdiction thereof, to engage in armed hostility against the same; or

Whoever opens within the United States, or in any place subject to the jurisdiction thereof, a recruiting station for the enlistment of such soldiers or sailors to serve in any manner in armed hostility against the United States—

Shall be fined not more than \$1,000 or imprisoned not more than five years, or both.

§ 2390. ENLISTMENT TO SERVE AGAINST UNITED STATES.

Whoever enlists or is engaged within the United States or in any place subject to the jurisdiction thereof, with intent to serve in armed hostility against the United States, shall be fined \$100 or imprisoned not more than three years, or both.

§ 2391. TEMPORARY EXTENSION OF SECTION 2388.

The provisions of section 2388 of this title, as amended and extended by section 1(a)(29) of the Emergency Powers Continuation Act (66 Stat. 333), as further amended by Public Law 12, Eighty-third Congress, in addition to coming into full force and effect in time of war shall remain in full force and effect until six months after the termination of the national emergency proclaimed by the President on December 16, 1950 (Proc. 2912, 3 C.F.R., 1950 Supp., p. 71),⁵ or such earlier date as may be prescribed by concurrent resolution of the Congress, and acts which would give rise to legal consequences and penalties under section 2388 when performed during a state of war shall give rise to the same legal consequences and penalties when they are performed during the period above provided for.

⁵ Proc. 2912, 3 C.F.R., 1950 Supp., p. 71, referred to in the text, is an erroneous citation. It should refer to Proc. 2914.

TITLE 38 U.S.C.—VETERANS' BENEFITS*

CHAPTER 1—GENERAL

§ 101. DEFINITIONS.

For the purposes of this title—

(1) The term "Administrator" means the Administrator of Veterans' Affairs.

(2) The term "veteran" means a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

(3) The term "widow" means (except for purposes of chapter 19 of this title) a woman who was the wife of a veteran at the time of his death, and who lived with him continuously from the date of marriage to the date of his death (except where there was a separation which was due to the misconduct of, or procured by, the veteran without the fault of the wife) and who has not remarried or (in cases not involving remarriage) has not since the death of the veteran, and after enactment of the 1962 amendments to this paragraph, lived with another man and held herself out openly to the public to be the wife of such other man.

(4) The term "child" means (except for purposes of chapter 19 of this title and section 5202(b) of this title) a person who is unmarried and—

(A) who is under the age of eighteen years;

(B) who, before attaining the age of eighteen years, became permanently incapable of self-support; or

(C) who, after attaining the age of eighteen years and until completion of education or training (but not after attaining the age of twenty-one years), is pursuing a course of instruction at an approved educational institution;

and who is a legitimate child, a legally adopted child, a stepchild who is a member of a veteran's household or was a member at the time

*P.L. 90-275, sec. 3, effective on the first day of the first calendar month following the month of initial payment of increases in monthly insurance benefits provided by the Social Security Amendments of 1967, provides:

"(a) If the monthly rate of pension or dependency and indemnity compensation payable to a person under title 38, United States Code, would be less, solely as a result of an increase in monthly insurance benefits provided by the Social Security Amendments of 1967, than the monthly rate payable for the month immediately preceding the effective date of this Act, the Administrator of Veterans' Affairs shall pay the person as follows:

"(1) for the balance of calendar year 1968 and during calendar year 1969, at the prior monthly rate;

"(2) during the calendar year 1970, at the rate for the next \$100 annual income limitation higher than the maximum annual income limitation corresponding to the prior monthly rate; and

"(3) during each successive calendar year, at the rate for the next \$100 annual income limitation higher than the one applied for the preceding year, until the rate corresponding to actual countable income is reached.

"(b) Subsection (a) shall not apply for any period during which annual income of such person, exclusive of an increase in monthly insurance benefits provided by the Social Security Amendments of 1967, exceeds the amount of annual income upon which was based the pension or dependency and indemnity compensation payable to the person immediately prior to receipt of the increase."

of the veteran's death, or an illegitimate child but, as to the alleged father, only if acknowledged in writing signed by him, or if he has been judicially ordered to contribute to the child's support or has been, before his death, judicially decreed to be the father of such child, or if he is otherwise shown by evidence satisfactory to the Administrator to be the father of such child. A person shall be deemed, as of the date of death of a veteran, to be the legally adopted child of such veteran if such person was at the time of the veteran's death living in the veteran's household and was legally adopted by the veteran's surviving spouse within 2 years after the veteran's death or the date of enactment of this sentence; however, this sentence shall not apply if at the time of the veteran's death, such person was receiving regular contributions toward his support from some individual other than the veteran or his spouse, or from any public or private welfare organization which furnishes services or assistance for children.

(5) The term "parent" means (except for purposes of chapter 19 of this title) a father, a mother, a father through adoption, a mother through adoption, or an individual who for a period of not less than one year stood in the relationship of a parent to a veteran at any time before his entry into active military, naval, or air service or if two persons stood in the relationship of a father or a mother for one year or more, the person who last stood in the relationship of father or mother before the veteran's last entry into active military, naval, or air service.

* * * * *

(10) The term "Armed Forces" means the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components thereof.

* * * * *

(12) The term "veteran of any war" means any veteran who served in the active military, naval, or air service during a period of war.

* * * * *

(14) The term "dependency and indemnity compensation" means a monthly payment made by the Administrator to a widow, child, or parent (A) because of a service-connected death occurring after December 31, 1956, or (B) pursuant to the election of a widow, child, or parent, in the case of such a death occurring before January 1, 1957.

* * * * *

(16) The term "service-connected" means, with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, or air service.

* * * * *

(18) The term "discharge or release" includes retirement from the active military, naval, or air service.

* * * * *

(20) The term "State" means each of the several States, Territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(21) The term "active duty" means—

(A) full-time duty in the Armed Forces, other than active duty for training;

(B) full-time duty (other than for training purposes) as a commissioned officer of the Regular or Reserve Corps of the Public Health Service (i) on or after July 29, 1945, or (ii) before that date under circumstances affording entitlement to "full military benefits" or (iii) at any time, for the purposes of chapter 13 of this title;

(C) full-time duty as a commissioned officer of the Coast and Geodetic Survey (i) on or after July 29, 1945, or (ii) before that date (a) while on transfer to one of the Armed Forces, or (b) while, in time of war or national emergency declared by the President, assigned to duty on a project for one of the Armed Forces in an area determined by the Secretary of Defense to be of immediate military hazard, or (c) in the Philippine Islands on December 7, 1941, and continuously in such islands thereafter, or (iii) at any time, for the purposes of chapter 13 of this title;

(D) service as a cadet at the United States Military, Air Force, or Coast Guard Academy, or as a midshipman at the United States Naval Academy; and

(E) authorized travel to or from such duty or service.

(22) The term "active duty for training" means—

(A) full-time duty in the Armed Forces performed by Reserves for training purposes;

(B) full-time duty for training purposes performed as a commissioned officer of the Reserve Corps of the Public Health Service (i) on or after July 29, 1945, or (ii) before that date under circumstances affording entitlement to "full military benefits", or (iii) at any time, for the purposes of chapter 13 of this title;

(C) in the case of members of the National Guard or Air National Guard of any State, full-time duty under section 316, 502, 503, 504, or 505 of title 32, or the prior corresponding provisions of law; and

(D) authorized travel to or from such duty.

The term does not include duty performed as a temporary member of the Coast Guard Reserve.

(23) The term "inactive duty training" means—

(A) duty (other than full-time duty) prescribed for Reserves (including commissioned officers of the Reserve Corps of the Public Health Service) by the Secretary concerned under section 301 of title 37 or any other provision of law; and

(B) special additional duties authorized for Reserve (including commissioned officers of the Reserve Corps of the Public Health Service) by an authority designated by the Secretary concerned and performed by them on a voluntary basis in connection with the prescribed training or maintenance activities of the units to which they are assigned.

In the case of a member of the National Guard or Air National Guard of any State, such term means duty (other than full-time duty) under sections 316, 502, 503, 504, or 505 of title 32, or the prior corresponding provisions of law. Such term does not include (i) work or

study performed in connection with correspondence courses, (ii) attendance at an educational institution in an inactive status, or (iii) duty performed as a temporary member of the Coast Guard Reserve.

(24) The term "active military, naval, or air service" includes active duty, any period of active duty for training during which the individual concerned was disabled or died from a disease or injury incurred or aggravated in line of duty, and any period of inactive duty training during which the individual concerned was disabled or died from an injury incurred or aggravated in line of duty.

(25) The term "Secretary concerned" means—

(A) the Secretary of the Army, with respect to matters concerning the Army;

(B) the Secretary of the Navy, with respect to matters concerning the Navy or the Marine Corps;

(C) the Secretary of the Air Force, with respect to matters concerning the Air Force;

(D) the Secretary of the Treasury, with respect to matters concerning the Coast Guard;

(E) the Secretary of Health, Education, and Welfare, with respect to matters concerning the Public Health Service; and

(F) the Secretary of Commerce, with respect to matters concerning the Coast and Geodetic Survey.

(26) The term "Reserve" means a member of a reserve component of one of the Armed Forces.

(27) The term "reserve component" means, with respect to the Armed Forces—

(A) the Army Reserve;

(B) the Naval Reserve;

(C) the Marine Corps Reserve;

(D) the Air Force Reserve;

(E) the Coast Guard Reserve;

(F) the National Guard of the United States; and

(G) the Air National Guard of the United States.

§ 102. DEPENDENT PARENTS AND DEPENDENT HUSBANDS * * *

(b) For the purposes of this title (except chapters 19 and 33), (1) the term "wife" includes the husband of any female veteran if such husband is incapable of self-maintenance and is permanently incapable of self-support due to mental or physical disability; and (2) the term "widow" includes the widower of any female veteran if such widower is incapable of self-maintenance and was permanently incapable of self-support due to physical or mental disability at the time of the veteran's death.

§ 103. SPECIAL PROVISIONS RELATING TO MARRIAGES.

(a) Whenever, in the consideration of any claim filed by a woman as the widow of a veteran for gratuitous death benefits under laws administered by the Veterans' Administration, it is established by evidence satisfactory to the Administrator that she, without knowledge of any legal impediment, entered into a marriage with such veteran which, but for a legal impediment, would have been valid, and thereafter cohabitated with him for five or more years immediately before his death, the purported marriage shall be deemed to be a valid mar-

riage, but only if no claim has been filed by a legal widow of such veteran who is found to be entitled to such benefits. No duplicate payments shall be made by virtue of this subsection.

(b) Where a widow has been legally married to a veteran more than once, the date of original marriage will be used in determining whether the statutory requirement as to date of marriage has been met.

(c) In determining whether or not a woman is or was the wife of a veteran, their marriage shall be proven as valid for the purposes of all laws administered by the Veterans' Administration according to the law of the place where the parties resided at the time of the marriage or the law of the place where the parties resided when the right to benefits accrued.

(d) The remarriage of the widow of a veteran shall not bar the furnishing of benefits to her as the widow of the veteran if the remarriage is void, or has been annulled by a court with basic authority to render annulment decrees unless the Veterans' Administration determines that the annulment was secured through fraud by either party or collusion.

(e) The marriage of a child of a veteran shall not bar recognition of such child as the child of the veteran for benefit purposes if the marriage is void, or has been annulled by a court with basic authority to render annulment decrees unless the Veterans' Administration determines that the annulment was secured through fraud by either party or collusion.

* * * * *

§ 105. LINE OF DUTY AND MISCONDUCT.

(a) An injury or disease incurred during active military, naval, or air service will be deemed to have been incurred in line of duty and not the result of the veteran's own misconduct when the person on whose account benefits are claimed was, at the time the injury was suffered or disease contracted, in active military, naval, or air service, whether on active duty or on authorized leave, unless such injury or disease was the result of his own willful misconduct. Venereal disease shall not be presumed to be due to willful misconduct if the person in service complies with the regulations of the appropriate service department requiring him to report and receive treatment for such disease.

(b) The requirement for line of duty will not be met if it appears that at the time the injury was suffered or disease contracted the person on whose account benefits are claimed (1) was avoiding duty by deserting the service, or by absenting himself without leave materially interfering with the performance of military duties; (2) was confined under sentence of court-martial involving an unremitted dishonorable discharge; or (3) was confined under sentence of a civil court for a felony (as determined under the laws of the jurisdiction where the person was convicted by such court).

§ 106. CERTAIN SERVICE DEEMED TO BE ACTIVE SERVICE.

(a)(1) Service as a member of the Women's Army Auxiliary Corps for ninety days or more by any woman who before October 1, 1943, was honorably discharged for disability incurred or aggravated in line of duty which rendered her physically unfit to perform further service in the Women's Army Auxiliary Corps or the Women's Army

Corps shall be considered active duty for the purposes of all laws administered by the Veterans' Administration.

(2) Any person entitled to compensation or pension by reason of this subsection and to employees' compensation based upon the same service under the Federal Employees' Compensation Act must elect which benefit she will receive.

(b) Any person—

(1) who has applied for enlistment or enrollment in the active military, naval, or air service and has been provisionally accepted and directed or ordered to report to a place for final acceptance into such service; or

(2) who has been selected or drafted for service in the Armed Forces and has reported pursuant to the call of his local draft board and before rejection; or

(3) who has been called into the Federal service as a member of the National Guard, but has not been enrolled for the Federal service; and

who has suffered an injury or contracted a disease in line of duty while en route to or from, or at, a place of final acceptance or entry upon active duty, will, for the purposes of chapters 11, 13, 19, 21, 31, and 39 of this title, and for purposes of determining service-connection of a disability under chapter 17 of this title, be considered to have been on active duty and to have incurred such disability in the active military, naval, or air service.

(c) For the purposes of this title, an individual discharged or released from a period of active duty shall be deemed to have continued on active duty during the period of time immediately following the date of such discharge or release from such duty determined by the Secretary concerned to have been required for him to proceed to his home by the most direct route, and in any event, he shall be deemed to have continued on active duty until midnight of the date of such discharge or release.

(d) For the purposes of this title, any individual—

(1) who, when authorized or required by competent authority, assumes an obligation to perform active duty for training or inactive duty training; and

(2) who is disabled or dies from an injury incurred after December 31, 1956, by him while proceeding directly to or returning directly from such active duty for training or inactive duty training, as the case may be;

shall be deemed to have been on active duty for training or inactive duty training, as the case may be, at the time such injury was incurred. In determining whether or not such individual was so authorized or required to perform such duty, and whether or not he was disabled or died from injury so incurred, the Administrator shall take into account the hour on which he began so to proceed or to return; the hour on which he was scheduled to arrive for, or on which he ceased to perform, such duty; the method of travel employed; his itinerary; the manner in which the travel was performed; and the immediate cause of disability or death. Whenever any claim is filed alleging that the claimant is entitled to benefits by reason of this subsection, the burden of proof shall be on the claimant.

Part II—General Benefits

CHAPTER 13—DEPENDENCY AND INDEMNITY COMPENSATION FOR SERVICE-CONNECTED DEATHS

Subchapter I—General

§ 401. DEFINITIONS.

As used in this chapter—

(1) The term “basic pay” means the monthly pay prescribed by section 232(a), 232(e), or 308 of Title 37, as may be appropriate, for a member of a uniformed service on active duty.

(2) The term “veteran” includes a person who died in the active military, naval, or air service.

§ 402. COMPUTATION OF BASIC PAY.

(a) With respect to a veteran who died in the active military, naval, or air service, his basic pay shall be that prescribed on January 1, 1957, or on the date of his death (whichever is the later date) for a member of a uniformed service on active duty of the same rank and years of service as that of the deceased veteran at the time of his death.

(b) With respect to a veteran who did not die in the active military, naval, or air service, his basic pay shall be that prescribed on January 1, 1957, or on the date of his death (whichever is the later date) for a member of a uniformed service on active duty of the same rank and years of service as that of the deceased veteran—

(1) at the time of his last discharge or release from active duty under conditions other than dishonorable; or

(2) at the time of his discharge or release from any period of active duty for training or inactive duty training, if his death results from service-connected disability incurred during such period and if he was not thereafter discharged or released under conditions other than dishonorable from active duty.

(c) (1) The basic pay of any veteran described in section 106(b) of this title shall be that to which he would have been entitled upon final acceptance or entry upon active duty.

(2) The basic pay of any person not otherwise described in this section, but who had a compensable status on the date of his death under laws administered by the Veterans' Administration, shall be determined by the head of the department under which such person performed the services by which he obtained such status (taking into consideration his duties, responsibilities, and years of service) and certified to the Administrator. For the purposes of this chapter, such person shall be deemed to have been on active duty while performing such services.

(d) If a veteran has satisfactorily served on active duty for a period of six months or more in a rank higher than that specified in subsection (a) or (b) and any subsequent discharge or release from active duty was under conditions other than dishonorable,¹ his basic pay

¹ P.L. 89-622, enacted October 4, 1966, sec. 1, substituted “any subsequent discharge or release from active duty was under conditions other than dishonorable” in lieu of “was so serving in such rank within one hundred and twenty days before death in the active military, naval, or air service or before last discharge or release from active duty under conditions other than dishonorable”, effective December 1, 1966.

shall be determined by using the appropriate rank specified in those subsections or by substituting such higher rank for the rank specified in those subsections, whichever will result in a greater amount. The determination as to whether an individual has served satisfactorily for the required period in a higher rank shall be made by the Secretary of the Department in which such higher rank was held.

§ 403. COVERAGE OF MEMBERS OF RESERVE OFFICERS' TRAINING CORPS.

For the purposes of this chapter and section 722 of this title, annual training duty to which ordered for a period of fourteen days or more by a member of a Reserve Officers' Training Corps, and authorized travel to or from such duty, shall be deemed to be active military, naval, or air service. The basic pay of any such member shall be considered to be the monthly pay of a person having the rank and years of service of those members of a uniformed service to which such member's pay is assimilated.

§ 404. SPECIAL PROVISIONS RELATING TO WIDOWS.

No dependency and indemnity compensation shall be paid to the widow of a veteran dying after December 31, 1956, unless she was married to him—

(1) before the expiration of fifteen years after the termination of the period of service in which the injury or disease causing the death of the veteran was incurred or aggravated; or

(2) for five or more years; or

(3) for any period of time if a child was born of the marriage.

Subchapter II—Dependency and Indemnity Compensation

§ 410. DEATHS ENTITLING SURVIVORS TO DEPENDENCY AND INDEMNITY COMPENSATION.

(a) When any veteran dies after December 31, 1956, from a service-connected or compensable disability, the Administrator shall pay dependency and indemnity compensation to his widow, children, and parents. The standards and criteria for determining whether or not a disability is service-connected shall be those applicable under chapter 11 of this title.

(b) Dependency and indemnity compensation shall not be paid to the widow, children, or parents of any veteran dying after December 31, 1956, unless he (1) was discharged or released under conditions other than dishonorable from the period of active military, naval, or air service in which the disability causing his death was incurred or aggravated, or (2) died while in the active military, naval, or air service.

§ 411. DEPENDENCY AND INDEMNITY COMPENSATION TO A WIDOW.

(a) Dependency and indemnity compensation shall be paid to a widow at a monthly rate equal to \$120 plus 12 per centum of the basic pay of her deceased husband.

(b) If there is a widow and two or more children below the age of eighteen of a deceased veteran, and—

(1) the total of the monthly benefits to which such widow and children are (or would be, upon the filing of an application) entitled on the basis of such deceased veteran's status under the laws referred to in subsection (d);
is less than

(2) the amount described in subsection (e);
then the dependency and indemnity compensation paid monthly to the widow shall be increased by \$28 for each child in excess of one; however, the total of increases under this subsection shall not exceed the difference between the amounts referred to in subparagraphs (1) and (2) of this subsection.

(c) If the amount determined under subsection (a), after increase (if any) under subsection (b), involves a fraction of a dollar, the amount payable shall be increased by the Administrator to the next higher dollar.

(d) The laws referred to in subsection (b) (1) are—

(1) section 412 (a) of this title;

(2) section 402 of title 42 (including the reduction provisions of subsection (a) of section 403 of title 42, but without regard to the deduction provisions of section 403); and

(3) section 228e of title 45 (including the reduction provisions of section 228c-1 (i) and 228e (h) of title 45).

(e) The amount referred to in subsection (b) (2) is an amount equal to the total of the monthly benefits to which a widow and two children of a deceased fully and currently insured individual would be entitled under section 402 of title 42 (after reduction under subsection (a) of section 403 of title 42 but without regard to deduction provisions of section 403) if such deceased individual's average monthly wage had been \$160.

(f) The amount referred to in subsection (b) (1) shall be determined by the Secretary of Health, Education, and Welfare, or the Railroad Retirement Board, as the case may be, and shall be certified to the Administrator upon his request.

§ 412. BENEFITS IN CERTAIN CASES OF IN-SERVICE OR SERVICE-CONNECTED DEATHS.

(a) In the case of any veteran—

(1) who dies after December 31, 1956, and is not a fully and currently insured individual (as defined in section 414 of title 42) at the time of his death; and

(2) whose death occurs—

(A) while on active duty, active duty for training, or inactive duty training; or

(B) as the result of a service-connected disability incurred after September 15, 1940; and

(3) who leaves one or more survivors who are not entitled for any month to monthly benefits under section 402 of title 42 on the basis of his wages and self-employment income but who would, upon application therefor, be entitled to such benefits if he had been fully and currently insured at the time of his death;

the Administrator shall pay for such month benefits under this section to each such survivor in an amount equal to the amount of the

benefits which would have been paid for such month to such survivor under subchapter II of chapter 7 of title 42, if such veteran had been both fully and currently insured at the time of his death and if such survivor had filed application therefor on the same date on which application for benefits under this section is filed with the Administrator.

(b) In any case where the amount of dependency and indemnity compensation payable under this chapter to a widow who has children is less than the amount of pension which would be payable to (1) such widow, or (2) such children if the widow were not entitled, under chapter 15 of this title had the death occurred under circumstances authorizing payment of death pension, the Administrator shall pay dependency and indemnity compensation to such widow in an amount equal to such amount of pension.²

* * * * *

§ 417. RESTRICTIONS ON PAYMENTS UNDER THIS CHAPTER.

(a) No dependency and indemnity compensation shall be paid to the widow, children, or parents of any veteran dying after April 30, 1957, having in effect at the time of death a policy of United States Government life insurance or National Service Life Insurance under waiver of premiums under section 724 of this title, unless waiver of premiums on such policy was granted pursuant to the first proviso of section 622(a) of the National Service Life Insurance Act of 1940, and the death occurs before the veteran's return to military jurisdiction or within one hundred and twenty days thereafter. Where dependency and indemnity compensation is not payable by reason of the preceding sentence, death compensation may be paid under section 321 or 341 of this title, as applicable.

(b) No person eligible for dependency and indemnity compensation by reason of any death occurring after December 31, 1956, shall be eligible by reason of such death for any payments under (1) provisions of law administered by the Veterans' Administration providing for the payment of death compensation or death pension, or (2) the Federal Employees' Compensation Act.

Subchapter III—Certifications

§ 421. CERTIFICATIONS WITH RESPECT TO BASIC PAY.

(a) The Secretary concerned shall, at the request of the Administrator, certify to him the basic pay, considering rank or grade and cumulative years of service for pay purposes, of deceased persons with respect to whose deaths applications for benefits are filed under this chapter. The certification of the Secretary concerned shall be binding upon the Administrator.

(b) Whenever basic pay (as defined in section 401 of this title) is increased or decreased, basic pay determined pursuant to this chapter shall increase or decrease accordingly.

² P.L. 89-466, enacted June 22, 1966, amended subsection (b) in its entirety. Prior to this amendment subsection (b) read as follows:

"(b) In any case where the amount of dependency and indemnity compensation payable under this chapter is less than the amount of pension which would be payable under chapter 15 of this title had the death occurred under circumstances authorizing payment of death pension, the Administrator shall pay dependency and indemnity compensation in an amount equal to such amount of pension."

§ 422. CERTIFICATIONS WITH RESPECT TO SOCIAL SECURITY ENTITLEMENT.

(a) Determinations required by section 412 of this title (other than a determination required by section 412(a)(2) of this title) as to whether any survivor described in section 412(a)(3) of this title of a deceased individual would be entitled to benefits under section 402 of title 42 for any month and as to the amount of the benefits which would be paid for such month, if the deceased veteran had been a fully and currently insured individual at the time of his death, shall be made by the Secretary of Health, Education, and Welfare, and shall be certified by him to the Administrator upon request of the Administrator.

(b) Upon the basis of estimates made by the Secretary of Health, Education, and Welfare after consultation with the Administrator, the Administrator shall pay to the Secretary an amount equal to the costs which will be incurred in making determinations and certifications under subsection (a). Such payments shall be made with respect to the costs incurred during such period (but not shorter than a calendar quarter) as the Secretary and the Administrator may prescribe. The amount payable for any period shall be increased or reduced to compensate for any underpayment or overpayment, as the case may be, of the costs incurred in any preceding period.

(c) Except with respect to determinations made under subsection (a) of this section, the Administrator shall prescribe such regulations as may be necessary to carry out the provisions of this section and section 412(a) of this title.

CHAPTER 15.—PENSION FOR NON-SERVICE-CONNECTED DISABILITY OR DEATH OR FOR SERVICE

Subchapter I—General

* * * * *

§ 503. DETERMINATIONS WITH RESPECT TO ANNUAL INCOME.

In determining annual income under this chapter, all payments of any kind or from any source (including salary, retirement or annuity payments, or similar income, which has been waived, irrespective of whether the waiver was made pursuant to statute, contract, or otherwise) shall be included except—

- (1) payments of the six-months' death gratuity;
- (2) donations from public or private relief or welfare organizations;
- (3) payments under this chapter, and chapters 11 and 13 (except section 412(a)) of this title;
- (4) payments under policies of United States Government life insurance or National Service Life Insurance, and payments of servicemen's indemnity;
- (5) lump-sum death payments under subchapter II of chapter 7 of title 42;
- (6) 10 per centum of the amount of payments to an individual under public or private retirement, annuity, endowment, or similar plans or programs equal to his contributions thereto;

(7) amounts equal to amounts paid by a widow or child of a deceased veteran for—

- (A) his just debts,
- (B) the expenses of his last illness, and
- (C) the expenses of his burial to the extent such expenses are not reimbursed under chapter 23 of this title;
- (8) proceeds of fire insurance policies;
- (9) amounts equal to amounts paid by a veteran for the last illness and burial of his deceased spouse or child;
- (10) profit realized from the disposition of real or personal property other than in the course of a business;
- (11) payments received for discharge of jury duty or obligatory civic duties;
- (12) payments of educational assistance allowance or special training allowance under chapter 35 of this title;
- (13) payments of bonus or similar cash gratuity by any State based on service in the Armed Forces.

CHAPTER 23—BURIAL BENEFITS

§ 902. FUNERAL EXPENSES.

(a) Where a veteran dies—

- (1) of a service-connected disability; or
- (2) who was (A) a veteran of any war; (B) discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty; or (C) in receipt of (or but for the receipt of retirement pay would have been entitled to) disability compensation;

the Administrator, in his discretion, having due regard to the circumstances in each case, may pay a sum not exceeding \$250 to such person as he prescribes to cover the burial and funeral expenses of the deceased veteran and the expense of preparing the body and transporting it to the place of burial. For the purpose of this subsection, the term "veterans" includes a person who died during a period deemed to be active military, naval, or air service under section 106(c) of this title.³

(b) Except as hereafter provided in this subsection, no deduction shall be made from the burial allowance because of the veteran's net assets at the time of his death, or because of any contribution from any source toward the burial and funeral expenses (including transportation) unless the amount of expenses incurred is covered by the amount actually paid therefor by the United States, a State, any agency or political subdivision of the United States or of a State, or the employer of the deceased veteran. No claim shall be allowed (1) for more than the difference between the entire amount of the expenses

³P.L. 89-360, enacted March 7, 1966, amended subsection (a) of section 902 in its entirety. Prior to amendment this subsection read as follows:

"(a) Where a veteran dies who—

- (1) was a veteran of any war;
- (2) had been discharged from the active military, naval, or air service for a disability incurred or aggravated in line of duty; or
- (3) was in receipt of, or but for the receipt of retirement pay would have been entitled to, disability compensation;

the Administrator, in his discretion having due regard to the circumstances in each case, may pay a sum not exceeding \$250 to such person as he prescribes to cover the burial and funeral expenses of the deceased veteran and the expense of preparing the body and transporting it to the place of burial."

incurred and the amount paid by any or all of the foregoing, or (2) when the burial allowance would revert to the funds of a public or private organization or would discharge such an organization's obligation without payment. The burial allowance or any part thereof shall not be paid in any case where specific provision is otherwise made for payment of expenses of funeral, transportation, and interment under any other Act.

§ 903. DEATH IN VETERANS' ADMINISTRATION FACILITY

(a) Where death occurs in a Veterans' Administration facility to which the deceased was properly admitted for hospital or domiciliary care under authority of section 610 or 611(a) of this title, the Administrator shall pay the actual cost (not to exceed \$250) of the burial and funeral.

(b) In addition to the foregoing, when such a death occurs in a State, the Administrator shall transport the body to the place of burial in the same, or any other State. For the purposes of this subsection the term "State" includes the Canal Zone.

(c) Within the limits prescribed in subsection (a), the Administrator may make contracts for burial and funeral services without regard to the laws requiring advertisement for proposals for supplies and services for the Veterans' Administration.

§ 904. CLAIMS FOR REIMBURSEMENT.

Applications for payments under section 902 of this title must be filed within two years after the burial of the veteran. If the burial allowance was not payable at the death of the veteran because of the nature of his discharge from the service, but after his death his discharge has been corrected by competent authority so as to reflect a discharge from the service under conditions other than dishonorable, then the burial allowance may be paid if a claim is filed within two years from whichever last occurs, the date of correction of the discharge or the date of enactment of this sentence. If a claimant's application is incomplete at the time it is originally submitted, the Administrator shall notify the applicant of the evidence necessary to complete the application. If such evidence is not received within one year from the date of such notification, no allowance may be paid.

Part III—Readjustment and Related Benefits

CHAPTER 41—JOB COUNSELING AND EMPLOYMENT PLACEMENT SERVICE FOR VETERANS ⁴

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§ 2001. PURPOSE.

The Congress declares as its intent and purpose that there shall be an effective job counseling and employment placement service for veterans of any war or of service after January 31, 1955,⁵ and that, to

⁴ P.L. 89-358, enacted March 3, 1966, sec. 6(a), inserted this heading in lieu of "Unemployment Benefits for Veterans".

⁵ P.L. 89-358, sec. 6(c), inserted "or of service after January 31, 1955".

this end, policies shall be promulgated and administered, so as to provide for them the maximum of job opportunity in the field of gainful employment.

§ 2002. ASSIGNMENT OF VETERANS' EMPLOYMENT REPRESENTATIVE.

The Secretary of Labor shall assign to each of the States a veterans' employment representative, who shall be a veteran of any war or of service after January 31, 1955,⁶ who at the time of appointment shall have been a bona fide resident of the State for at least two years, and who shall be appointed in accordance with the civil-service laws, and whose compensation shall be fixed in accordance with the Classification Act of 1949. Each such veterans' employment representative shall be attached to the staff of the public employment service in the State to which he has been assigned. He shall be administratively responsible to the Secretary of Labor, for the execution of the Secretary's veterans' placement policies through the public employment service in the State. In cooperation with the public employment service staff in the State, he shall—

(1) be functionally responsible for the supervision of the registration of veterans of any war or of service after January 31, 1955,⁷ in local employment offices for suitable types of employment and for placement of veterans of any war or of service after January 31, 1955,⁸ in employment;

(2) assist in securing and maintaining current information as to the various types of available employment in public works and private industry or business;

(3) promote the interests of employers in employing veterans of any war or of service after January 31, 1955;⁹

(4) maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans of any war or of service after January 31, 1955,¹⁰ available for employment and veterans of any war or of service after January 31, 1955,¹¹ advised of opportunities for employment; and

(5) assist in every possible way in improving working conditions and the advancement of employment of veterans of any war or of service after January 31, 1955.¹²

§ 2003. EMPLOYEES OF LOCAL OFFICES.

Where deemed necessary by the Secretary of Labor, there shall be assigned by the administrative head of the employment service in the State, one or more employees, preferably veterans of any war or of service after January 31, 1955,¹³ of the staffs of local employment service offices, whose services shall be primarily devoted to discharging the duties prescribed for the veterans' employment representative.

§ 2004. COOPERATION OF FEDERAL AGENCIES.

All Federal agencies shall furnish the Secretary such records, statistics, or information as may be deemed necessary or appropriate in

⁶ See footnote 5 above.

⁷ See footnote 5 above.

⁸ P.L. 89-358, sec. 6(c), inserted "or of service after January 31, 1955,".

⁹ See footnote 8 above.

¹⁰ See footnote 8 above.

¹¹ See footnote 8 above.

¹² See footnote 8 above.

¹³ See footnote 8 above.

administering the provisions of this chapter, and shall otherwise cooperate with the Secretary in providing continuous employment opportunities for veterans of any war or of service after January 31, 1955.¹⁴

§ 2005. ESTIMATE OF FUNDS FOR ADMINISTRATION.

The Secretary shall estimate the funds necessary for the proper and efficient administration of this chapter; such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel and communications. Sums thus estimated shall be included as a special item in the annual budget of the Bureau of Employment Security. Any funds appropriated pursuant to this special item as contained in the budget of the Bureau of Employment Security shall not be available for any purpose other than that for which they were appropriated, except with the approval of the Secretary.

Part IV—General Administrative Provisions

CHAPTER 51—APPLICATIONS, EFFECTIVE DATES, AND PAYMENTS

SUBCHAPTER I—APPLICATIONS

§ 3001. CLAIMS AND FORMS.

(a) A specific claim in the form prescribed by the Administrator (or jointly with the Secretary of Health, Education, and Welfare, as prescribed by section 3005 of this title) must be filed in order for benefits to be paid or furnished to any individual under the laws administered by the Veterans' Administration.

* * * * *

§ 3005. JOINT APPLICATIONS FOR SOCIAL SECURITY AND DEPENDENCY AND INDEMNITY COMPENSATION.

The Administrator and the Secretary of Health, Education, and Welfare shall jointly prescribe forms for use by survivors of members and former members of the uniformed services in filing application for benefits under chapter 13 of this title and subchapter II of chapter 7 of title 42. Each such form shall request information sufficient to constitute an application for benefits under both chapter 13 of this title and subchapter II of chapter 7 of title 42; and when an application of such form has been filed with either the Administrator or the Secretary of Health, Education, and Welfare, it shall be deemed to be an application for benefits under both chapter 13 of this title and subchapter II of chapter 7 of title 42. A copy of each such application filed with the Administrator, together with any additional information and supporting documents (or certifications thereof) which may have been received by the Administrator with such application, and which may be needed by the Secretary in connection therewith, shall be transmitted by the Administrator to the Secretary; and a copy of each such application filed with the Secretary, together with any additional information and supporting documents (or certifications

¹⁴ See footnote 8 above.

thereof) which may have been received by the Secretary with such form, and which may be needed by the Administrator in connection therewith, shall be transmitted by the Secretary to the Administrator. The preceding sentence shall not prevent the Secretary and the Administrator from requesting the applicant, or any other individual, to furnish such additional information as may be necessary for purposes of chapter 13 of this title and subchapter II of chapter 7 of title 42, respectively.

CHAPTER 53—SPECIAL PROVISIONS RELATING TO BENEFITS

* * * * *

§ 3101. NONASSIGNABILITY AND EXEMPT STATUS OF BENEFITS.

(a) Payments of benefits due or to become due under any law administered by the Veterans' Administration shall not be assignable except to the extent specifically authorized by law, and such payments made to, or on account of, a beneficiary shall be exempt from taxation, shall be exempt from the claim of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. The preceding sentence shall not apply to claims of the United States arising under such laws nor shall the exemption therein contained as to taxation extend to any property purchased in part or wholly out of such payments. The provisions of this section shall not be construed to prohibit the assignment of insurance otherwise authorized under chapter 19 of this title, or of servicemen's indemnity.

(b) This section shall prohibit the collection by setoff or otherwise out of any benefits payable pursuant to any law administered by the Veterans' Administration and relating to veterans, their estates, or their dependents, of any claim of the United States or any agency thereof against (1) any person other than the indebted beneficiary or his estate; or (2) any beneficiary or his estate except amounts due the United States by such beneficiary or his estate by reason of overpayments or illegal payments made under such laws to such beneficiary or his estate or to his dependents as such. If the benefits referred to in the preceding sentence are insurance payable by reason of yearly renewable term insurance, United States Government life insurance, or National Service Life Insurance issued by the United States, the exemption provided in this section shall not apply to indebtedness existing against the particular insurance contract upon the maturity of which the claim is based, whether such indebtedness is in the form of liens to secure unpaid premiums or loans, or interest on such premiums or loans, or indebtedness arising from overpayments of dividends, refunds, loans, or other insurance benefits.

(c) Notwithstanding subsection (a), payments of benefits under laws administered by the Veterans' Administration shall not be exempt from levy under subchapter D of chapter 64 of the Internal Revenue Code of 1954 (relating to seizure of property for collection of taxes).

TRADE EXPANSION ACT OF 1962¹

(76 STAT. 872) (19 U.S.C. 1901)

* * * * *

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

CHAPTER 1—ELIGIBILITY FOR ASSISTANCE

SEC. 301. TARIFF COMMISSION INVESTIGATIONS AND REPORTS.

(a) (1) A petition for tariff adjustment under section 351 may be filed with the Tariff Commission by a trade association, firm, certified or recognized union, or other representative of an industry.

(2) A petition for a determination of eligibility to apply for adjustment assistance under chapter 2 may be filed with the Tariff Commission by a firm or its representative, and a petition for a determination of eligibility to apply for adjustment assistance under chapter 3 may be filed with the Tariff Commission by a group of workers or by their certified or recognized union or other duly authorized representative.

(3) Whenever a petition is filed under this subsection, the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce.

(b) (1) Upon the request of the President upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a) (1), the Tariff Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article.

(2) In making its determination under paragraph (1), the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment.

(3) For purposes of paragraph (1), increased imports shall be considered to cause, or threaten to cause, serious injury to the domestic industry concerned when the Tariff Commission finds that such in-

¹ This Act has been compiled by the United States Department of Labor. The Trade Expansion Act of 1962 was enacted by P.L. 87-794, approved October 11, 1962, and is contained in title 19 of the United States Code, secs. 1802-1806, 1901, 1902, and 1931-1978.

See also the Automotive Products Trade Act of 1965, p. 728 ff, vol. II.

creased imports have been the major factor in causing, or threatening to cause, such injury.

(4) No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a) (1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

(c) (1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a level of reasonable profit and unemployment or underemployment in the firm.

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

(3) For purposes of paragraphs (1) and (2), increased imports shall be considered to cause, or threaten to cause, serious injury to a firm or unemployment or underemployment, as the case may be, when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury or unemployment or underemployment.

(d) (1) In the course of any investigation under subsection (b) (1), the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to produce evidence, and to be heard at such hearings.

(2) In the course of any investigation under subsection (c) (1) or (c) (2), the Tariff Commission shall, after reasonable notice, hold public hearings if requested by the petitioner, or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest in the subject matter of the investigation, and shall afford interested parties an opportunity to be present, to produce evidence, and to be heard at such hearings.

(e) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President.

(f)(1) The Tariff Commission shall report to the President the results of each investigation under this section and include in each report any dissenting or separate views. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(2) The report of the Tariff Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than 6 months after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be). Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

(3) The report of the Tariff Commission of its determination under subsection (c) (1) or (c) (2) with respect to any firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed.

(g) Except as provided in section 257(e) (3), no petition shall be filed under subsection (a), and no request, resolution, or motion shall be made under subsection (b), prior to the close of the 60th day after the date of the enactment of this Act.²

SEC. 302. PRESIDENTIAL ACTION AFTER TARIFF COMMISSION DETERMINATION.

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President may—

(1) provide tariff adjustment for such industry pursuant to section 351 or 352,

(2) provide, with respect to such industry, that its firms may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2,

(3) provide, with respect to such industry, that its workers may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3, or

(4) take any combination of such actions.

(b)(1) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a) (2), upon a showing by such firm to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such firm.

(2) The Secretary of Labor shall certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a) (3), upon a showing by such group of workers to the satisfaction of the Secretary of Labor that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused or threatened to cause

² Sec. 257(e) (3) of P.L. 87-794 is classified as a note under former sec. 1364 of title 19, United States Code. P.L. 87-794 was enacted on October 11, 1962.

unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof.

(c) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(c) with respect to any firm or group of workers, the President may certify that such firm or group of workers is eligible to apply for adjustment assistance.

(d) Any certification under subsection (b) or (c) that a group of workers is eligible to apply for adjustment assistance shall specify the date on which the unemployment or underemployment began or threatens to begin.

(e) Whenever the President determines, with respect to any certification of the eligibility of a group of workers, that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301(c)(2) or in subsection (b)(2) of this section, he shall terminate the effect of such certification. Such termination shall apply only with respect to separations occurring after the termination date specified by the President.

* * * * *

CHAPTER 3—ASSISTANCE TO WORKERS

SEC. 321. AUTHORITY.

The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

Subchapter A—Trade Readjustment Allowances

SEC. 322. QUALIFYING REQUIREMENTS.

(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the 30th day after the date of the enactment of this Act³ and after the date determined under section 302(d), subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act, and after the date determined under section 302(d), and

(2) before the expiration of the 2-year period beginning on the day on which the most recent determination under section 302(d) was made, and before the termination date (if any) specified under section 302(e).

(c) Such worker shall have had—

(1) in the 156 weeks immediately preceding such total or partial separation, at least 78 weeks of employment at wages of \$15 or more a week, and

(2) in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of \$15 or more a week in a firm or firms with respect to which a determination of unemployment or underemployment under section 302 has been made, or

³ This Act (P.L. 87-794) was enacted on October 11, 1962.

if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

SEC. 323. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during such week.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) The amount of trade readjustment allowance payable to an adversely affected worker under subsection (a) or (b) for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is paid to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 324(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance paid to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section, which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g) (1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(A) he receives a trade readjustment allowance, or

(B) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection

(c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 337, to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law.

SEC. 324. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

SEC. 325. APPLICATION OF STATE LAWS.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated, shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

Subchapter B—Training

SEC. 326. IN GENERAL.

(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding \$5 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) to the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

SEC. 327. DISQUALIFICATION FOR REFUSAL OF TRAINING, ETC.

Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary of Labor shall not thereafter be entitled to trade readjustment allowances until he enters or resumes training to which he has been so referred.

Subchapter C—Relocation Allowances

SEC. 328. RELOCATION ALLOWANCES AFFORDED.

Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this subchapter.

SEC. 329. QUALIFYING REQUIREMENTS.

(a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 323

(c) and (e)) to a trade readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a) (1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

SEC. 330. RELOCATION ALLOWANCE DEFINED.

For purposes of this subchapter, the term "relocation allowance" means—

(1) the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

Subchapter D—General Provisions**SEC. 331. AGREEMENTS WITH STATES.**

(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

SEC. 332. PAYMENTS TO STATES.

(a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 331(1) the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this chapter, and (2) the sums reimbursable to a State pursuant to section 323(g). The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter. Sums reimbursable to a State pursuant to section 323(g) shall be credited to the account of such State in the Unemployment Trust Fund and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

SEC. 334. RECOVERY OF OVERPAYMENTS.

(a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment of allowances under this chapter to which he was not entitled, such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the Sec-

retary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

SEC. 335. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment or assistance authorized to be furnished under this chapter or pursuant to an agreement under section 331 shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. 336. REVIEW.

Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this chapter, determinations under this chapter as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this chapter, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

SEC. 337. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

SEC. 338. DEFINITIONS.

For purposes of this chapter—

(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

(2) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment—

(A) has been totally or partially separated from such employment, or

(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the

Department of Labor) most recently published before the period for which the assistance under this chapter is furnished.

(4) The term "average weekly wage" means one-13th of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(5) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the 52 weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 80 percent or less of his average weekly hours in adversely affected employment and his wages reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

(9) The term "State agency" means the agency of the State which administers the State law.

(10) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.⁴

(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

(13) The term "week" means a week as defined in the applicable State law.

(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services

⁴ See p. 437, vol. I.

performed during such week is less than 75 percent of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he worked 80 percent or less of his average weekly hours.

* * * * *

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency performing functions under this Act may—

(1) authorize the head of any other agency to perform any of such functions;

(2) prescribe such rules and regulations as may be necessary to perform such functions; and

(3) to the extent necessary to perform such functions, procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of \$75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed \$16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on tariff adjustment and other adjustment assistance under this Act. Such report shall include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained, changes in trade agreements in order to effectuate more fully the purposes of the trade agreements program (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of this Act, and other information relating to the trade agreements program and to the agreements entered into thereunder.

(b) The Tariff Commission shall submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any authority granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

SEC. 404. SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 405. DEFINITIONS.

For purposes of this Act—

(1) The term “agency” includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States.

(2) The term “duty or other import restriction” includes (A) the rate and form of an import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports.

(3) The term “firm” includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) An imported article is “directly competitive with” a domestic article at an earlier or later stage of processing, and a domestic article is “directly competitive with” an imported article at an earlier or later stage of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(5) A product of a country or area is an article which is the growth, produce, or manufacture of such country or area.

(6) The term “modification”, as applied to any duty or other import restriction, includes the elimination of any duty.

TRADING WITH THE ENEMY ACT OF 1917

Approved October 6, 1917 (40 Stat. 411) (50 App. U.S.C. 36(a))

* * * * *

Sec. 36. (a) The vesting in or transfer to the Alien Property Custodian of any property or interest (other than any property or interest acquired by the United States prior to December 18, 1941), or the receipt by him of any earnings, increment, or proceeds thereof shall not render inapplicable any Federal, State, Territorial, or local tax for any period prior or subsequent to the date of such vesting or transfer, nor render applicable the exemptions provided in title II of the Social Security Act with respect to service performed in the employ of the United States Government or of any instrumentality of the United States.

* * * * *

VOCATIONAL REHABILITATION AMENDMENTS OF 1954

(68 Stat. 652) (29 U.S.C. 35(a)(10), 38)¹

State Plans

Sec. 5. (a) To be approvable under this Act, a State plan for vocational rehabilitation services shall—

* * * * *

(10) provide for entering into cooperative arrangements with the system of public employment offices in the State and the maximum utilization of the job placement and employment counseling services and other services and facilities of such offices;

* * * * *

(12) effective July 1, 1969, provide that no residence requirement will be imposed which excludes from services under the plan any individual who is present in the State.²

Promotion of Employment Opportunities

Sec. 8. The Secretary of Labor and the Secretary of Health, Education, and Welfare shall cooperate in developing, and in recommending to the appropriate State agencies, policies and procedures which will facilitate the placement in employment of individuals who have received rehabilitation services under State vocational rehabilitation programs, and, together with the chairman of the President's Committee on Employment of the Physically Handicapped, shall develop and recommend methods which will assure maximum utilization of services which that committee, and cooperating State and local organizations, are able to render in promoting job opportunities for such individuals.

* * * * *

¹Compiled by the United States Department of Labor. This material also appears in secs. 35 and 38 of title 29, United States Code.

²P.L. 90-99, sec. 6, enacted October 3, 1967, deleted "and" after the semicolon and inserted new paragraph (12).

THE WAGNER-PEYSER ACT¹

(48 Stat. 113) (29 U.S.C. 49c-3, 557)

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United States Employment Service; Bureau Established

Section 1. In order to promote the establishment and maintenance of a national system of public employment offices there is hereby created in the Department of Labor a bureau to be known as the United States Employment Service.

Officers and Employees

Sec. 2. The Secretary of Labor is authorized, without regard to the civil service laws, to appoint and, without regard to the Classification Act of 1949, to fix the compensation of one or more assistant directors and such other officers, employees, and assistants, and to make such expenditures (including expenditures for personnel services and rent at the seat of government and elsewhere and for lawbooks, books of reference, and periodicals) as may be necessary to carry out the provisions of this Act. In case of appointments for service in the veterans' employment service provided for in section 3 of this Act, the Secretary shall appoint only veterans of wars of the United States.

Employment Offices

Sec. 3. (a) It shall be the province and duty of the bureau to promote and develop a national system of employment offices for men, women, and juniors who are legally qualified to engage in gainful occupations, including employment counseling and placement services for handicapped persons, to maintain a veterans' service to be devoted to securing employment for veterans, to maintain a farm placement service, to maintain a public employment service for the District of Columbia, and, in the manner hereinafter provided, to assist in establishing and maintaining systems of public employment offices in the

¹This act is administered by the United States Department of Labor. The Wagner-Peyser Act, approved June 6, 1933, appears in secs. 49-49n of title 29, United States Code, and sec. 338 of Title 39, United States Code.

several States and the political subdivisions thereof in which there shall be located a veterans' employment service. The bureau shall also assist in coordinating the public employment offices throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and publishing information as to opportunities for employment and other information of value in the operation of the system, and maintaining a system for clearing labor between the several States.

(b) Whenever in this Act the word "State" or "States" is used, it shall be understood to include Puerto Rico, Guam, and the Virgin Islands.

Acceptance by States; Creation of State Agencies

Sec. 4. In order to obtain the benefit of appropriations apportioned under section 5, a State shall, through its legislature, accept the provisions of this Act and designate or authorize the creation of a State agency vested with all powers necessary to cooperate with the United States Employment Service under this Act.

Appropriations; Apportionment Among States

Sec. 5. (a) There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amount from time to time as the Congress may deem necessary to carry out the purposes of this Act.

(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State which (i), except in the case of Guam and the Virgin Islands, has an unemployment compensation law approved by the Secretary under the Federal Unemployment Tax Act² and is found to be in compliance with section 303 of the Social Security Act,³ as amended, and (ii) is found to be in compliance with this Act, such amounts as the Secretary determines to be necessary for the proper and efficient administration of its public employment offices.

State Plans

Sec. 8.⁴ Any State desiring to receive the benefits of this Act shall, by the agency designated to cooperate with the United States Employment Service, submit to the Secretary of Labor detailed plans for carrying out the provisions of this Act within such State. Such plans shall include provision for the promotion and development of employment opportunities for handicapped persons and for job counseling and placement of such persons, and for the designation of at least one person in each State or Federal employment office, whose duties shall include the effectuation of such purposes. In those States where a State board, department, or agency exists which is charged with the administration of State laws for vocational rehabilitation of physically handicapped persons, such plans shall include provision for cooperation

² See p. 429, vol. I.

³ See p. 163, vol. I.

⁴ Secs. 6 and 7 were deleted by the act of September 8, 1950, ch. 933, sec. 3, 64 Stat. 823 (Public Law 775, 81st Cong.).

between such board, department, or agency and the agency designated to cooperate with the United States Employment Service under this Act. If such plans are in conformity with the provisions of this Act and reasonably appropriate and adequate to carry out its purposes, they shall be approved by the Secretary and due notice of such approval shall be given to the State agency.

Reports by State Agencies

Sec. 9. Each State agency cooperating with the United States Employment Service under this Act shall make such reports concerning its operations and expenditures as shall be prescribed by the Secretary of Labor. It shall be the duty of the Secretary to ascertain whether the system of public employment offices maintained in each State is conducted in accordance with the rules and regulations and the standards of efficiency prescribed by the Secretary in accordance with the provisions of this Act. The Secretary may revoke any existing certificates or withhold any further certificate provided for in section 7,⁵ whenever he shall determine, as to any State, that the co-operating State agency has not properly expended the moneys paid to it or the moneys herein required to be appropriated by such State, in accordance with plans approved under this Act. Before any such certificate shall be revoked or withheld from any State, the Secretary shall give notice in writing to the State agency stating specifically wherein the State has failed to comply with such plans.

Federal Advisory Council; State Advisory Councils; Notice of Strikes and Lockouts to Applicants

Sec. 11.⁶ (a) The Secretary of Labor shall establish a Federal Advisory Council composed of men and women representing employers and employees in equal numbers and the public for the purpose of formulating policies and discussing problems relating to employment and insuring impartiality, neutrality, and freedom from political influence in the solution of such problems. Members of such council shall be selected from time to time in such manner as the Secretary shall prescribe and shall serve without compensation, but when attending meetings of the council they shall be allowed necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, within the limitations prescribed by law for civilian employees in the executive branch of the Government. The council shall have access to all files and records of the United States Employment Service. The Secretary shall also require the organization of similar State advisory councils composed of men and women representing employers and employees in equal numbers and the public.⁷

⁵ See footnote 4, this act.

⁶ Sec. 10, containing authority to expend funds in States with inadequate State systems, has been omitted because the temporary period during which such authority was given has ended.

⁷ Sec. 11(a), amended by sec. 3 of the President's Reorganization Plan No. 2 of 1949 (see p. 776) conferred on the Federal Advisory Council the responsibility for advising the Secretary of Labor and the Director of the Bureau of Employment Security with respect to both unemployment insurance and employment service problems.

(b) In carrying out the provisions of this Act, the Secretary is authorized and directed to provide for the giving of notice of strikes or lock-outs to applicants before they are referred to employment.

Rules and Regulations

Sec. 12. The Secretary of Labor is authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act.

Mail Franking Privileges to Employment Systems

Sec. 13. The Postmaster General is hereby authorized and directed to extend to the United States Employment Service and to the system of employment offices operated by it in conformity with the provisions of this Act, and to all State employment systems which receive funds appropriated under authority of this Act, the privilege of free transmission of official mail matter.⁸

⁸ In the Federal Security Agency Appropriation Act, 1950 (title II of the Labor-Federal Security Appropriation Act, 1950, approved June 29, 1949), under the heading "Social Security Administration, Grants to States for unemployment compensation and employment service administration," the following paragraph appears:

"In carrying out the provisions of said Act of June 6, 1933, the provisions of section 303(a)(1) of the Social Security Act, as amended, relating to the establishment and maintenance of personnel standards on a merit basis, shall apply."

Sec. 13 of the Wagner-Peyser Act is codified as sec. 338 of title 39, United States Code.



APPENDIX

Public Laws amending the Social Security Act (Public Law 271, 74th Cong., approved August 14, 1935, 49 Stat. 320) are listed below. The citation shown following the date of approval of the amending act is to the page and volume of the Statutes at Large where the particular act may be found. The short title, if any, of the amending act is shown following the Statutes at Large citation.

- Public Law 722, 75th Cong., approved June 25, 1938 (52 Stat. 1094). The Railroad Unemployment Insurance Act.
- Public Law 36, 76th Cong., approved April 19, 1939 (53 Stat. 581).
- Public Law 141, 76th Cong., approved June 20, 1939 (53 Stat. 845).
- Public Law 379, 76th Cong., approved August 10, 1939 (53 Stat. 1360). The Social Security Act Amendments of 1939.
- Public Law 17, 78th Cong., approved March 24, 1943 (57 Stat. 45).
- Public Law 235, 78th Cong., passed over veto February 25, 1944 (58 Stat. 21). The Revenue Act of 1943.
- Public Law 285, 78th Cong., approved April 4, 1944 (58 Stat. 188).
- Public Law 410, 78th Cong., approved July 1, 1944 (58 Stat. 682). The Public Health Service Act.
- Public Law 458, 78th Cong., approved October 3, 1944 (58 Stat. 785). The War Mobilization and Reconversion Act of 1944.
- Public Law 201, 79th Cong., approved October 23, 1945 (59 Stat. 546).
- Public Law 291, 79th Cong., approved December 29, 1945 (59 Stat. 669). The International Organization Immunities Act.
- Public Law 719, 79th Cong., approved August 10, 1946 (60 Stat. 978). The Social Security Act Amendments of 1946.
- Public Law 239, 80th Cong., approved July 25, 1947 (61 Stat. 449).
- Public Law 379, 80th Cong., approved August 6, 1947 (61 Stat. 793). The Social Security Act Amendments of 1947.
- Public Law 492, 80th Cong., passed over veto April 20, 1948 (62 Stat. 195).
- Public Law 642, 80th Cong., passed over veto June 14, 1948 (62 Stat. 438).
- Public Law 174, 81st Cong., approved July 16, 1949 (63 Stat. 445).
- Public Law 734, 81st Cong., approved August 28, 1950 (64 Stat. 477). The Social Security Act Amendments of 1950.
- Public Law 814, 81st Cong., approved September 23, 1950 (64 Stat. 906). The Revenue Act of 1950.
- Public Law 78, 82d Cong., approved July 12, 1951 (65 Stat. 119).
- Public Law 420, 82d Cong., approved June 28, 1952 (66 Stat. 285).
- Public Law 590, 82d Cong., approved July 18, 1952 (66 Stat. 767). The Social Security Act Amendments of 1952.
- Public Law 269, 83d Cong., approved August 14, 1953 (67 Stat. 580).
- Public Law 279, 83d Cong., approved August 15, 1953 (67 Stat. 587).
- Public Law 567, 83d Cong., approved August 5, 1954 (68 Stat. 668). The Employment Security Administrative Financing Act of 1954.
- Public Law 761, 83d Cong., approved September 1, 1954 (68 Stat. 1052). The Social Security Act Amendments of 1954.
- Public Law 767, 83d Cong., approved September 1, 1954 (68 Stat. 1130).
- Public Law 325, 84th Cong., approved August 9, 1955 (69 Stat. 621).
- Public Law 880, 84th Cong., approved August 1, 1956 (70 Stat. 807). The Social Security Act Amendments of 1956.
- Public Law 881, 84th Cong., approved August 1, 1956 (70 Stat. 857). The Servicemen's and Veterans' Survivors Benefits Act.

- Public Law 85-26, approved April 25, 1957 (71 Stat. 27).
Public Law 85-109, approved July 17, 1957 (71 Stat. 308).
Public Law 85-110, approved July 17, 1957 (71 Stat. 308).
Public Law 85-226, approved August 30, 1957 (71 Stat. 511).
Public Law 85-227, approved August 30, 1957 (71 Stat. 512).
Public Law 85-229, approved August 30, 1957 (71 Stat. 513).
Public Law 85-238, approved August 30, 1957 (71 Stat. 518).
Public Law 85-239, approved August 30, 1957 (71 Stat. 521).
Public Law 85-441, approved June 4, 1958 (72 Stat. 171). The Temporary Unemployment Compensation Act of 1958.
Public Law 85-785, approved August 27, 1958 (72 Stat. 938).
Public Law 85-786, approved August 27, 1958 (72 Stat. 938).
Public Law 85-787, approved August 27, 1958 (72 Stat. 939).
Public Law 85-798, approved August 28, 1958 (72 Stat. 964).
Public Law 85-840, approved August 28, 1958 (72 Stat. 1013). The Social Security Amendments of 1958.
Public Law 85-848, approved August 28, 1958 (72 Stat. 1087). The Ex-Servicemen's Unemployment Compensation Act of 1958.
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